FINANCIAL TIMES

Takeshita fights for political

World News

Survival The personal involvement in the Recruit scandal of Mr Noboru Takeshita, Japan's Prime Minister, deepened after it was confirmed that he had received a total of Y50m (\$379,000) in political donations from the company. He had admitted receiving Y20m Hopes of Mr Takeshita con-

as house

ART GALLER

. NO ENEM

taining the damage done by the Recruit financial scandal have been virtually destroyed by the revelations that he was himself one of the chief beneficlaries of the company's largesse. Page 20

Vote plan welcomed US President George Bush welcomed a proposal by the Israeli prime minister Mr Yitzhak Shamir for "free democratic elections" in the West Bank · and Gaza as a step toward a peace settlement in the Middle

New Swape clashes Bush war between South West African People's Organisation insurgents and combined South African backed police and army units intensified as diplomats from Angola, Cuba, South Africa, the Soviet Union and the US prepared for key ceasefire talks in the Namibian capital Windhoek. Page 4

Walesa Moscow visit Lech Walesa, leader of Poland's independent, and now legal, Solidarity trade union, declared his intention to visit the Soviet Union. Page 2

Brady loans warning Nicholas Brady, US Treasury Secretary, warned Congress that he may recommend a presidential veto if lawmakers put forward a rescue packagetoo favourable to the savings and loan industry. Page 3

New Gandhi charges Indian Prime Minister Rajiv-Gandhi's government is expected to charge at least two Sikhs in connection with the 1984 murder of his mother and predecessor, Indira.

Nijes for Brussels Thomas Niles, US ambassador to Canada since mid-1985, has

been appointed as US represen-tative to the European Community in Brussels. Page 6 Brazil, Paris row A fierce diplomatic row has broken out between Brazil and

France over advertisments published in Paris to publicise the outcome of last month's 24-nation meeting in the Hague on the environment. Page 3 Kashmir violence

Kashmir which is beginning to rival the Punjab as India's most lawless province, was shaken by a fourth day of violence. Page 4

Bank nationalised Bank of Crete, at the centre of a financial scandal, is to move under state control, according to Mr Panayiotis Roumeliotis, Greek National Economy Minister, Page 2

Hawke pledge Australian Prime Minister Bob Hawke pledged A\$7.8m (\$6.2m)

for research into the "green-house effect". Vive la différence Right-wing Mayor Jacques Chirac launched plans for a glittering summer festival in Paris to rival the socialist govern-

ment's celebrations marking the bicentenary of the French

Business Summary

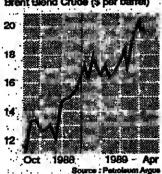
Ueberroth pays \$460m for Eastern **Airlines**

Group led by Mr Peter Deberroth, former US baseball commissioner, agreed to buy the bankrupt Eastern Atrlines

for "about \$460m". The long-awaited deal, which was announced in New York was announced in New York after two weeks of persistent speculation, was a financial relief, but also a humiliating symbolic defeat for Mr Frank Lorenzo, chairman of Texas Air Corporation, Eastern's par-ent company, Page 21 OIL prices continued to ease yesterday as markets responded to the restoration of oil supplies through the Alaskan port of Valdez, which

Oil price

Brent Blend Crude (\$ per barrel)



was partially closed by the Exxon Valdez oil spill. Brent Crude for April delivery dropped 45 cents to close at \$19.25 in European trading...

WORLD'S leading farm produc ers agreed an outline deal on agricultural reform which could unblock the stalled Uruguay Round on multilateral Gatt talks. Page 21

GUINNESS unveiled a pre-tax profit of £521m (\$885m) for 1968, a 28-per cent increase on the previous year, and dis-closed it was taking its interest in Moet Hennessy Louis Vuit-ton (LVMH), the French luxury products group, to 24 per cent.

RUBOPEAN VINVES COPPOREtion, large plastics manufacturer jointly owned by Britain's Imperial Chemical Industries and Enichem, Italian state-owned chemicals. group, unveiled 160 per cent rise in operating profits last year to reach DM418m (\$222m). Page 21

PUBLISHER Robert Maxwell revived plans for floating his Mirror Group newspapers on the London Stock Exchange. The flotation, which could value the titles at up to £300m (\$510m), would probably be this year. Page 21

HIGH Voltage Engineering, US company associated with Berisford International of the UK, won increasing support for its \$698m takeover bid for Universal Foods from share-holders of the Milwaukee-base food products group. Page 23 BOASE MASSIMI Pollitt, UK advertising agency which is facing a £103m (\$175m) bid from the smaller French advertising company BDDP, clarified the response received from

clients. Page 23 GRUPO industrial Alfa, Mexico's leading industrial conglomerate, and Himont of

the US have agreed to form a 250bn peso (\$104m) joint ven-ture to produce polypropylene for domestic and export markets. Page 23

MAN, hig West German truck, engineering, and steel trading concern, is on target for net profits of some DM250m (\$134m) this financial year, a further rise of 25 per cent.

ALAN BOND, Australian entrepreneur whose Bond group of companies is under financial and other pressure, continued his string of asset sales with the A\$34.7m (\$27.8m) disposal of a stake in BHP

STOCK MIDICES

New York knothtime

Mrs Margaret Thatcher, the British Prime Minister, speaks outside 10 Downing Street, yesterday as President Mikhail Gorbachev, the Soviet leader, checks his watch during a pause in his busy itinerary.

Thatcher welcomes Gorbachev reforms

MRS Margaret Thatcher, the British Prime Minister, last night, combined an effusive welcome for Mr Mikhail Gorba-chev's "peaceful revolution" in the Soviet Union with an unflinching re-affirmation of her determination to preserve the West's nuclear defences. In a speech at the end of the first full day of the Soviet Pres-ident's visit to London, Mrs Thatcher described relations

between Britain and the Soviet Union as "better now than they have been at any time since the Second World War".

The Prime Minister's enthusiasm was matched by warm Soviet firaise for Britain and its role in world affairs and Mrs Thatcher's "deep understanding" of the process and prob-lems of perestroika. However, at their top-level talks, the two fundamental differences on the major problem of arms control, while agreeing that disarmament negotiations must not lose their momentum.

At a two-hour meeting and lunch at No 10 Downing Street, the Prime Minister's official residence, Mr Gorbachev expressed concern at the length of time being taken by the new US Administration in reviewing the main lines of its

foreign and arms control poli-

"We understand that the new Administration needs time to study foreign policy." Mr Gennady Gerasimov, the Soviet spokesman said. "But we don't want this pause to become an interval, which will

lead to a loss of momentum."
On the other hand, the
Soviet leader welcomed successful East-West co-operation in resolving regional conflicts and, in particular, had high praise for Mrs Thatcher's firm support for the United Nations role in Namibia.

A jarring note, however, was

struck, particularly in talks between Sir Geoffrey Howe, the British Foreign Secretary, and Eduard Shevardnadze, his Soviet counterpart, on reports that the Soviet Union had sold bombers to Libya. There was a dispute between

officials on whether the matter had been raised during Mrs Thatcher's meeting with Mr Gorbachev. However, Sir Geoffrey was said by officials to have expressed the Government's deep concern at the sale of such weapons to an "unpre-dictable regime", which the British accuse of supporting terrorism in Northern Ireland.

After what British officials described as a day of "frank",
"lively" and alternatively
"warm" and "solemn" discussions, the Prime Minister last night underlined her determi-nation that the West should not bargain away its nuclear

Speaking at a dinner in Mr Gorbachev's honour at Down-ing Street, she said the British people wanted, "with all our mind and strength". Mr Gorba-chev's policy of perestroika to succeed. Officials said that the two leaders spent most of their meeting discussing peres-

roiks.
At the same time, Mrs.
Thatcher welcomed the constructive role that Mr Gorbachev had undertaken in helping to resolve a range of regional conflicts. The Soviet its role in securing agreement in Angola and Namibia, and the Soviet Union's new emphasis on "sufficiency" in defence were praiseworthy.
Mrs Thatcher then said:

"One thing we shall never do and nor would you - is base our thinking on wishful thinking rather than on reality," she said. Continued on Page 20 The Gorbachev visit, Page 7

Estonians throw out challenge to Moscow

By John Lloyd in Moscow

LEADING government officials in Estonia have published a programme for self government which proclaims the tiny republic's virtual independence from the Soviet Union by January 1 1991.

The programme, which delivers the most serious chal-lenge to Moscow's control of its rebellious republics, will be presented to the Estonian Supreme Soviet in May, where it is thought certain to gain

approval.

Advisors to the government members of the Estonian Popular Front and senior officials in the Estonian Communist Party had a hand in the pro-gramme - to which amend-ments are now invited.

The most radical elements of the programme include:

• the transfer of owners all Estonian assets - including land, sea, air and water - from Soviet to Estonian gov-

• creation of Estonian citizenship and limits on immigration from the USSR; • the right to own private companies and employ labour; a wholly new system of Continued on Page 20 Estonia tests limits of Soviet liberalisaton, Page 2

Exxon accepts blame for Alaskan oil spill

By Peter Riddell, US Editor in Washington

EXXON, the largest US oil company, yesterday accepted full responsibility for the Alaska oil spill, which may cost up to \$200m to clean up over nearly three years.

Mr Lawrence Rawl, chairman and chief executive of Exxon, said all necessary

resources were being deployed to clean up the spill. In testimony to the Senate Commerce committee, he said: "Actions are already under way within Exxon to review policies and procedures in the light of this

procedures in the light of this accident."

The hearing is being held because the environmental disaster has led to pressure on the US Government to change its policies on oil exploration and compensation and to play a greater role in the clean-up.

The spill, the worst in US history, occurred two weeks ago when the Exxon Valdez, a tanker owned hy Exxon's shipping subsidiary, hit a reef in Prince William Sound, discharging more than 10m galcharging more than 10m gal-lons of oil.

Admiral Paul Yost, the com-mandant of the Coast Guard,

in evidence to the House Merchant Marine Committee, said the cost of cleaning up the oil spill could be between \$100m and \$200m.

Of the 10m gallons spilt only 500,000 had so far been cleaned up, about 3m had evaporated or dropped to the bottom, and there was little chance that much more than an additional

500,000 gallons could be recovered from the remaining 7m.
Senior members of the Administration, including Mr Samuel Skinner, the Transportation Secretary, and Mr William Reilly, the head of the Environmental Protection Agency, said several lessons had to be learnt from the Alas-

kan disaster
The Administration is assessing a request from Governor Steve Cowper of Alaska for the US Coast Guard to take a greater role in the clean-up. President George Bush was meeting advisers yesterday to consider a Federal takeover of the clean-up from Exxon.

 Mr Joseph Hazlewood, captain of the Exxon Valdez, who was allegedly drunk and below decks at the time of the accident, yesterday had his bail cut from \$1m to \$25,000. The earlier bail had been set on Wednesday by a New York judge who compared the effect of the oil spill in Alaska to the bombing of Hiroshima in 1945. Commodities, Page 34

Montedison denies pirating computer software

By Alan Friedman in Milan

A GROUP of the world's leading computer software producers yesterday began legal action in Milan seeking substantial damages from Montedison, the Italian chemi-cals group, for allegedly hav-ing pirated software programmes from two leading US

Montedlson lumedlately denied it was guilty of any unauthorised duplication of

software. It said it reserved the right "to take initiatives and actions in order to protect our hou-

The lawsuit is the first such action by US software concerns against a European com-

pany.

It follows a court-ordered inspection last week of Montedison's Milan headquarters by court-appointed experts and lawyers for the software com-

panies.
The software companies say that more than 130 personal computers were examined in the offices of Montedison and its Montelibre subsidiary.

They allege that evidence was found that "more than 90 per cent of the inspected software on the premises cou-sisted of unauthorised copies."

The action, which is expected to lead to a court case, was issued by the Business Soft-ware Association (BSA), a Washington-based consortium of international software com-panies which includes Microsoft, the US market leader.

soft, the US market leader.
The lawsuits, claiming infringement of Italy's copyright laws, were filed against Montedison, its Montefibre fibres subsidiary and Elettrocarbonium, a private electrical components company which has no convection with the

has no connection with the Gardini group.

Mr Douglas Phillips, president of the association, said the level of unanthorised copying of software in Italy was one of the worst in Europe. This lead to annual losses of hundreds of millions of dollars

for software compani Mr Phillips said the association's action against Montedison and the other companies for copying software from Lotus Development Corporation and Ashton-Tate Corporation, sought "substantial dam-ages," sequestration of copies and personal computers and a permanent injunction to stop unauthorised copying. The legal action against Montedison was taken "as a

last resort." Continued on Page 20

Botha bows out as president by announcing early elections

By Anthony Robinson in Cape Town

PRESIDENT P W Botha paved the way for his own retirement and general elections later this year in a speech yesterday to a special joint session of parlia-

ment.

In his speech, Mr Botha howed to pressure from his own party for early general elections by announcing his decision to dissolve parliament towards the end of May.

Although he failed to set a date for the poll, politicians of all parties predicted that voting would take place early in Sentember for the three houses

September for the three houses of the racially segregated par-liament for whites, coloureds and Asians.
This would allow him to

serve out his five-year term.
In his speech Mr Botha also blamed guerrillas of the South West Africa People's Organisa-tion (Swapo) for the conflict in northern Namibia, where fight-ing continued for the sixth day. Mr Botha indicated that he would not stand for re-election,

CONTENTS

Brazilian raliway

so paving the way for Mr F W de Klerk, the Education Minister, who has already taken over as leader of the ruling National Party. Mr de Klerk is expected to be the automatic presidential choice of the party caucus, which last mouth indicated its desire that the powers of state president and party leader be jointly held.

Election prospects, mean-while, have been thrown wide open by the incursion of armed Swapo guerrillas across the Namibian border. Should government mishandle the crisis it could be vulnerable to attack by the white right wing Conservative party.

Swapo's actions have already

cast a shadow over prospects for the early release of Mr Nel-son Mandela, jailed leader of the African National Congress

accounts of its actions and flatly denied the organisation's claim that it had achieved victory in its 23 year "liberation struggle" with bases inside Namibia. "Swapo has no military bases or camps inside Nami-bia" he said.

"The leadership of Swapo knows Swapo is under an obliknows Swapo is under an obligation to retire north of the 16th parallel in Angola and that it would be illegal to enter Namibia in the manner in which they did."

The leadership of Swapo, he said, "will have to account for the carnage" in which 210 Swapo guerrillas, 24 para-military police and two South African soldiers have died.

can soldiers have died.

Fighting began when an estimated 1,500 guerrillas contravened the Namibia settlement terms by crossing into the ter-

Mr. Boths stated categorically "there is no doubt that
Swapo is in default."

He ridiculed Swapo's Namibia fighting, Page 4 ritory from Angola on the eve of the UN-supervised indepenexamines a new futures market: in airliners. Recently, Pan Am made more

This week, The Economist

than \$100 million by selling its place in the Airbus queue to another airline.

As demand for aircraft continues to outstrip supply, this kind of deal will become more common.

Cathay Pacific, for example, must wait till 1995 for the Airbuses it ordered this week.

Is there no cure for this kind of jet-lag?

Find out in The Economist today.

Lconomist

revolution. MARKETS

(in £ terms) evaluating UK

A. Buda

(same)
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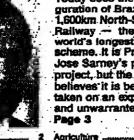
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21,26

Same old ride on the new



Today sees the inauguration of Brazil'a 1,600km North-South Railway - the world's longest rail scheme. It is President Jose Samey's pet project, but the public pelieves it is being taken on an expensive and unwarranted ride

Argentina: The past catches up as elections approach Agriculture 34 Gold International bonds Intl. Capital Markets Intl 34 Raw Meterials -Landon __ Technology 14 Unit Trusts -42 Weather -----18 World Index Unit Trusts

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Technology: Business opportunities created by Sweden's ecology minded consumers... ments Why a French supplier is bubbling with enthusiasm for British water14 Editorial comment: The Bretton Woods twins: The reform of legal services

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Solidarity leader urges conciliation in wake of round table accord

Walesa proposes visit to the Soviet Union

MR LECH WALESA, the leader now legal, Solidarity trade union, said yesterday be intended to visit the Soviet

Union.
A visit to Moscow would A Visit to Moscow would extend Solidarity's legitimacy to the Soviet Union which, eight years ago, viewed the movement's rise with horror, and consistently exerted pressure on the Polish authorities to ban it. "To like to go to this beautiful searchers and loans." to ban it. "I'd like to go to this beautiful country and learn something about it, talk to the people and see the factories," Mr Walesa said, adding, to laughter from a crowded press conference at Warsaw University, "and come back, of

"I don't want to disturb perestroika or stir things np," he continued. "The Soviet Union needs reforms, too, and I want to go to win understand-ing for changes in Poland." Later, one of the movement's top advisers said that the probPRESIDENT George Bush is likely to announce shortly a package of economic measures designed to express US approval of the historic pact between the Polish communist government and the independent Solidarity union, US officials said yesterday, writes Lionel

Barber in Washington.

The officials said the Bush administration would make a "symbolic gesture" within the next few days to the Polish people underlining its support for the political reforms agreed in Warsaw this week.

Among the options under consideration is a restoration of at least \$250m in US trade credits, conpled with a more conciliatory

Soviet Union would invite Mr Walesa, implying that that hurdle had been surmounted, but which Soviet institution would be the host. Among the possible alterna-tives are the official Soviet at the round table talks, has already been invited with a group of colleagues to Moscow this month hy Democratic Perestroika, an informal Soviet

At the press conference, Mr Walesa adopted an extremely conciliatory tone on internal prohlems, saying: "Now we need agreement, compromise and accord." Conflicts with the OPZZ official unions were inev-

itable, he admitted, adding that he thought Solidarity would have five to seven million members but should not have

attitude towards Poland's external debt, which

is approaching \$39bn. During a visit to Poland in 1987, Mr Bush promised US assistance in rescheduling Poland's debt — a move which has become more feasible in the light of his administration's new international debt

In February 1987, the Reagan administration dropped economic sanctions against Poland imposed after martial law, but the Poles have long argued that hilateral trade between the two countries has falled to recover because

of the lack of credits and an inflexible US stance in the International Monetary Fund and the Paris Club of sovereign creditors.

a monopoly on the shop floor.
Mr Walesa was referring to a
conflict with the official unions, who are pressing the government to agree to com-pensate fully falls in the stan-dard of living due to rising prices, while Solidarity has set-tled for 80 per cent compensa-

The row continued into Wednesday's final round table session, holding up the ceremonial meeting at one point for three hours. Mr Walesa repeated Solidarity's appeal for the West to ease Poland's \$39bn debt burden, arguing that this would help to get the economy on the move. I will kneel and plead for help to enable Poland to catch up with the rest of Europe," he said, stressing that new loans would have to be granted only to have to be granted only to those areas of the economy which had been put on an official footing.

cial footing.

Answering questions on the general lack of enthusiasm accompanying the round table accord, Mr Walesa confirmed that there was "a large dose of doubt" but argued that the absence of emotion meant that Solidarity had time to organise for the election. This was Solidarity's main aim, Mr Walesa said, and not organising strikes over individual issues.

Republican Party leader stakes out territory on the right wing of West German politics

By David Goodhart in Bonn

MR FRANZ SCHOENHUBER. the robust voice of the newly prominent Republican Party. leads what the late Mr Franz Josef Strauss encceeded in excluding from post-war West German politics: a populist, but legitimate, political force to the right of the Christian Democratic/Christian Social Union alliance.

Fresh from winning 7.5 per cent of the vote in the West Berlin state election Mr Schoenhuber, 66, has been in Bonn seeking to convince the national and international media that he is not a Nazi in disguise and that his party will not rise and fall as fast as the extreme-right NPD in the late

The Republicans are not likely to be the third biggest party after the late 1990 election, as Mr Schoenhuber told a rally of 1.000 supporters on

Wednesday night

Peace Prize winner.

But, with the latest national poll giving them 7 per cent support, it is quite possible that they will enter the Bundestag (over 5 per cent required) and become the fifth force in Bonn's increasingly fragmented politics.
That will make coalition-

trade unions or the Soviet Peace Committee, which would invite Mr Walesa as a Nobel

Mr Tadeusz Mazowiecki, a

senior negotiator for Solidarity

building even more difficult as, a few dissenting voices aside, the bulk of the CDU/CSU lead-ership will remain opposed to doing deals with the new party. But Mr Schoenhuber probably has time on his side. He claims that 70 per cent of the 13,000 party members are under 30 and most of his supporters say they are simply fed up with having to feel guilty

for being German,
As' the post-war period
recedes, a politician who, more emphatically than the others, rejects the guilt thesis and the

enforced-liberalism of the German state may be tapping a

Especially when, as in Mr Schoenhuber's case, he states firmly that he is not racist, nor anti-Semitic (his first wife was Jewish), that there is nothing to be said for Hitler, and that the NPD are "a bunch of reactionaries who have not got

over losing the war."
His unequivocal patriotism
can, in rhetorical flight, come
close to reducing the past:
"Our young are no more gullty of Auschwitz than young Americans are guilty of Hiroshima." But he rejects the comment, attributed to Mr Jean Marie Le Pen, the French National Front leader, that the Holocaust was a mere detail of history. In other respects he clearly admires Mr Le Pen and describes his party and that of Mr Jörg Haider in Austria as

His main point about the Nazi period is that German public life has been corrupted hy hypocrisy about it. Having lost his job as a prominent commentator for a Bavarian

TV station for writing an unapologetic account of his time in the Waffen SS, he is angry about the "dozens of eenior civil servants and ambassadors who were Nazis" but now pretend they were in the Resis-President Richard von Weiz-

säcker, an almost universally revered figure in West Ger-many, is not excluded from criticism. Indeed, he seems a symbol of everything that Mr Schoenhuber — claiming to speak for the little man — dislikes: liberal, gristocratic, and, says Mr Schoenhuber, apologising for the past because of his obsession with his own family.



Mr Javier Perez de Cuellar, UN Secretary General (centre), will encourage further talks between Turkish Cypriot leader Rauf Denktash (left) and Cyprus President Mr George Vassiliou, despite pessimism over their reaching a settlement by the deadline date

Cyprus talks go on despite gloom

Andriana Ierodiaconou on the prospects for a negotiated settlement

HE President of Cyprus, Mr George Vassiliou, and Mr Rauf Denktash, the Turkisb Cypriot leader, are expected to agree on a further round of United Nations-sponsored peace talks at the end of three days of consultations in New York today with Mr Javier Perez De Cuellar, the UN Secretary General. However, the negotietors

themselves and observers of the talks believe there is no possibility of reaching a settlement by June 1, the target date set by Mr Perez de Cuellar. The peace talks between Mr Vassiliou and Mr Denktash

began last September in Nico-sia, with the official aim of establishing a single federal state made up of a Greek Cypriot and a Turkish Cypriot province. The island has been

divided since 1974, when Tur-key invaded and occupied the northern third of its territory in the wake of a coup staged by the Greek junta.

The occupied zone was declared a Turkish Cypriot state in 1983 in a move condemned as "legally invalid" by the UN Security Council. The breakaway state is so far recog-nized only by Ankara. According to well-informed

sources, the negotiations have made some progress towards a workable federal system. However, no progress is reported on other key aspects, including the presence of foreign troops, "guarantees" for a settlement and movement of people, prop-erty ownership and settlement arrangements.
In hroad terms, the Greek

mum of administrative or other barriers between the two federated provinces, full Turk-ish troop withdrawal, international guarantees for a settle-ment, and complete freedom to travel, live and own property throughout the proposed federal state for all citizens.

The Turkish Cypriots, who make up about a lifth of the population of Cyprus, want maximum administrative and physical autonomy for each province, some Turkish troops to remain, Turkey to be a key guaranter of a settlement, and restrictions on movement, settlement and property owner-

ship.
Third countries, euch as Britain, which are supporting the UN peace effort have con-tributed to maintaining negoti-ating momentum. Mrs Mar-

garet Thatcher, the British Prime Minister, is understood to have written to Mr Turgut Ozal, her Turkish counterpart, last month urging progress towards a federal settlement, position, must ensure the unity of Cyprus and the fell human

rights of all citizens.

At the same time, Britain has urged Mr Vassilion to build on "positive elements" in the Turkish Cypriot proposals. Prospects for a compromise do not, however, appear bright. In Athens last week Mr Vasin Athens test week Mr vas-siliou warned that he would not continue negotiations beyond June unless there were definite signs by then of an easing of Mr Denktash's posi-tion, Mr Denktash on the other hand has accused the Greek Cypriot side of inflexibility.

Gaullist old guard faces youth revolt

By ian Davidson in Paris

THE STRUGGLE for control of France's right-wing Gaullist party broke into the open yes-terday, when a group of young Gaullists rebelled against the party leadership, and declared that they would field an inde-pendent list of reforming

young conservatives in next June's elections to the Euro-pean Parliament.

The young Gaullists' rebel-lion is being led by Mr Michel Noir, former Trade Minister, and appears to be in part encouraged by his spectacular success in the recent munici-pal elections, when he ran against the sitting conserva-tive mayor of Lyons and won a

resounding victory.
The crushing defeat of Mr
Jacques Chirac, Gaullist
leader, in last year's Presidenprobable that France's conservative parties would be doomed to a long period in opposition if they failed to overcome internal divisions.

The deciaration of independence issued yesterday by Mr Noir and his supporters is intended to precipitate a unification of the forces on the right. His direct and probably irrevocable challenge to the leadership of Mr Chirac has been made more significant by been made more significant by
the fact that his declaration
has been issued in alliance
with like-minded young
reformers from other, nonGanilist conservative parties.
The campaign for the European Parliament elections is
more the pretext than the reason for the rebellion of the
young Gaullists. In contrast

son for the rebellion of the young Gaullists. In contrast with some of the old-guard barons of Gaullism, the strong commitment of Mr Noir and his friends on the political right to the ideal of a more integrated Europe has aever been in doubt. But the real reason for the choice of this election campaign as the battleground against the party leadership, is that there are no more significant elections more significant elections where the voters can express a

where the voters can express a preference until 1993.

The Gaullist leadership has been seeking an alliance between all the conservative parties in the European election, and a single list of candidates headed by former President Valery Giscard d'Estaing, leader of the UDF group of centre-right parties. On centre-right parties. On Wednesday Mr Chirac and Mr Giscard d'Estaing finalised a joint election platform for the

campaign.

The two party chiefs are still unable to muster a single list of candidates, however, because the strongly pro-European centrist CDS party distrusts the late conversion of the Gaullist leadership to Europe

Confusion in EC car industry over exhaust emission controls

THE WEST EUROPEAN motor industry has been thrown into confusion by European Com-mission proposals agreed on Wednesday for a new set of car

erhaust emission regulations.
The weekly meeting of the 17
Commissioners called for existing voluntary EC controls on exhaust emissions for all cars

exhaust emissions for all cars to be made mandatory by January 1991, moving to obligatory iougher standards by 1998.

Years of wrangling over new standards for controlling car exhaust pollution in the European Community appeared to have been ended last November, when EC members reached preliminary agreement on new regulations for small cars to be implemented by October 1 1998.

The rules for small cars were

October 1 1998.

The rules for small cars were the final missing piece from the so-called Laxembourg compromise reached in 1985, which laid down a framework for tougher exhaust emission stan-dards for three categories of cars, large cars above 2 litres, cars, large cars above 2 litres, medium cars from 1.4 to 2 litres and small cars under 1.4 litres. The motor industry finally thought it had a basis on which to plan its model programmes and investment in engine research and development and manufacturing.

The Commission's latest move has plunged the industry back into uncertainty, and opens the prospect of a new

opens the prospect of a new round of bitter political infight-ing both between member Governments and the car makers. In suggesting tougher small car polintion controls which still fall short of a direct move to US-style car emission stan-dards, the European Commis-

were not mandatory, and it had been left up to each mem-ber Government to legislate independently to bring the reg-ulations into effect. It was expected that coun-

tries, where small cars domi-nate the markets as well as the output of the domestic car manufacturers - such as Raly. France and Spain - would be slow to introduce the new reg-niations. At the other end of the spectrum countries such as the Netherlands have been learn to offer tay incentives to keen to offer tax incentives to

Kevin Done explains the background to the latest car emission .: proposals by the **European Commission**

encourage the purchase of cara able to meet much tougher standards than those proposed previously by the EC.

As the political fight has continued in Brussels, car buyers have been making their own choices, however.

New car sales figures from West Germany for 1998 show just how quickly car-buyers preferences are moving preferences are moving towards "clean" cars, albeit with the stimulus of certain tax incentives. Car manufac-turers that have been unable to keep pace with these volatile changes in the market place have already suffered from fall-

car polintion controls which still fall short of a direct move to US-style car emission standards, the European Commission is reflecting growing public concern over the environment.

The regulations finally agreed last year would not have led to harmonised standards in the EC. The rules in market shares. Sales of diesel-powered cars dropped last year by 4.7 per cent, the second successive annual decline, chiefly under the impact of growing environmental opposition in West Germany, where new car buyers are increasingly demanding eo-called "clean" cars equipped with catalytic

emissions.

emissions.

According to Antomotive Industry Data, the UK based antomotive analysts, the plungs in diesel car sales in West Germany, previously the biggest single diesel car market in West Europe, has followed widely publicised canser scares, linking cancer to unacceptably high carbon particulate levels on diesel cars. These scares had caused "hordes of huyers to switch often long-standing diesel loyalties to a new generation of catalyst to a new generation of catalyst

The impact of environmental concerns can clearly be dra-matic. Sales of diesel cars in matic. Sales of diesel cars in West Germany have dropped by 50.7 per cent during the last two years from 780.000 in 1986 to 882.497 in 1988. The share of diesel-powered cars in the West German car market plunged to 18.6 per cent last year from a peak of 27.4 per cent in 1986. Daimher-Benz, one of the companies most affected by the decline in diesel sales, claims that in the Federal Republic "diesels have been thoroughly defamed by discussions and accusations as well as by politi-

decursations as well as by politi-cal activities." Under present West German regulations die-sel cars cannot be used in smog conditions. At the same time in response to health fears a tax penalty has been imposed on diesel sales and diesel fuel tax has been

Last month Daimler-Benz launched a counter-offensive with the unveiling of a new range of so-called "clean" diesels, which it claims has cut the level of exhaust particle emissions by 40 per cent.

Mr Wolfgang Peter, Mercedes-Benz dietector of car development claims that the discol

ment, claims that the diesel debate has been based on "emotive rather than factual argumentation".

Swedish tax reforms Greek bank endorsed by OECD

By Robert Taylor in Stockholm

PLANNED financial revolution to make the country more competitive receives a strong endorsement today in the latest survey of the country's economy published by the Organisation for Economic Co-operation and

It suggests that Sweden will ent private affinence and t fare state into the 1990's unless sary structural reforms" are carried out along with changes in the country's pay.

bargaining system.

The OECD report says "a comprehensive reform which aims at removing structural impediments to sustained growth, while continuing to observe a specific concern for social justice, will be a formi-dable undertaking."

But it believes the introduc-

tion of a radical change in the taxation system in 1991 with cuts in the marginal rates on . incomes and a shift to a wider range of taxes on capital and services will "correct many, if not all" of the present obsta-cles to Swedish economic

The authors argue that Sweden's "most important prob-lems" are not "rooted in the short term" but stem from structural defects in the economy which has resulted in a shortage of skilled manpower and obstacles to the formation of new risk capital.
In particular, the survey criticises the country's high unit

labour costs resulting from weak productivity growth and inflationary wage increases. It says currency devaluation was "abandoned after 1982" as a policy option so that maintaining Sweden's current visible trade balance and budget sur-plus as well as full employnent depends on keeping down labour costs.

The real value of this year's

below the macroeconomic indi-cators and look at fundamental trends that threaten to trouble Sweden over the coming years.
The OBCD is particularly con-cerned about the wage bargain-ing system and its impact on the wider labour market. It believes containment of unit labour costs is crucial to the country's external equilibrium not be able to defend its pres- country's external equilibrium and full employment and argues this has become much

more difficult to achieve as a result of the decentralised negotiations that have characterised private sector bargain-

ing since 1982.

However, the survey was completed before the signing of a new two year national wage agreement covering im private night ago that many Swedish economists bave criticised for being too inflationary and having an adverse impact on the country's international com-

petitiveness.

Mr Kjell-Olof Feldt, the Finance Minister, will be pleased by the warm words in the OECD report for his management of the economy duration in the company the suggestive the suggestive file. ing the 1980's. It suggests the country's performance has been "remarkable", notably for ensuring one of the lowest unemployment rates in the western world, achieving a budget surplus and a strong export performance in manufactured industry.

Despite current anxieties about overheating the OECD does not believe problems will worsen in the short term. It expects continuing stabilisation of the exchange rate and a tight monetary policy to dampen down domestic

demand.

The report also believes that Sweden's external deficit (caused by a negative balance on invisibles) "should remain relatively small" at from 1 to 2 per cent of gross domestic

to become state owned

THE Bank of Crete is to move

"With this solution the legal interests of the safe, the status of the bank's employees does not change and the bank's operation is secured," Mr Roumeliotis said. He said the bank's share capital would be increased by a contribution of Drs0bn by deposits from state banks. There is a possibility that private banks can participate as well without changing the pub-lic character of the Bank of Crete," Mr Roumeliotis said. The Bank of Crete, one of

the three privately-owned banks in Greece, has about 80 branches nationally and 1,300 staff. The central bank has provided some Dr20bn of liquidity since last October.

EC warning on future standards of UK water

THE European Community's environment commissioner said yesterday Britain could said yesterday Britain could face legal action if its proposed water privatisation bill failed to achieve EC drinking-water standards fast enough, Reuter reports from Brussels. "If things are not changed according to the concerns we expressed very clearly, then of course we will use our (legal) powers," Mr Carlo Ripa di Meana said.

The Community's executive

Meana said.

The Community's executive commission has asked the British government to set a strict timetable for newly-privatised water companies to meet drinking water standards that were supposed to have been reached in 1965.

Britain is not alone in failing to implement the standards but rejuction to force a legal.

but, reluctant to force a legal-ly-binding deadline on utilities it plans to sell to the public, it is seeking an exemption.

Mr Rips di Meana also said-EC and British officials were meeting regularly to iron out difficulties in the bill.

FINANCIAL TIMES

Published by the Financial Times (Europe) Ltd., Frankfurt Branch, represented by E. Hugo., Frankfurt/Main, and, as members of the Board of Directors, F. Barlow, R.A.F. McClens, G.T.S. Danner, M.C. German, D.P. Palmer, Looden, Printer Frankfurter Societaets-Druckensl-Combil, Frankfurt/Main. Responsible editor: Sir Geoffrey Owen, Financial Tataca, Number One Southwark Bridge, London SEI 9HL of The Financial Times Ltd, 1989.

FINANCIAL TIMES, USPS No 190640, published daily except Sandays and holidays. US subscription rates 3365.00 per annexes. Second-class postage and at New York NY and at additional mailing offices. POSTMASTER. Send address change to: FINANCIAL TIMES, 14 East 60th Street, New York, NY 18022.

Financial Times (Scandinavia) Ltd. Ottergada 44, DK-1100 Copenhagen K. Denmark. Telephone (01) 13 44 41. Fax (01) 936335.

Estonians test the limits of liberalisation in Soviet Union John Lloyd reports on an economic and juridical programme pointing the republic towards its goal of statehood

against which Estonia's leaders with the rest of the Soviet Union and must constantly test their own with other countries. HE ESTONIANS plunge Debate continues on the criteria Otherwise, the power taken by

onwards. The publication ear-lier this week by the Estonian press of the final draft of a programme setting out the basis for eco-nomic and juridical antonomy for the republic, is the latest, perhaps decisive, step towards its goal of

in taking this path, at once more radical and more deliberate than the hroadly similar moves in the other two Baltic states of Latvia and Lith-uania, the Estonians retain their position as the forward scouts of the tolerated limits of Soviet liberalisa-

They have assumed a large responsibility. For if they succeed in making the ratchet of nationalism turn faster than the rate of change intended by Mr Gorbachev they will risk provoking a backlash from forces which might use their extrem-ism to displace Mr Gorbachev's wider reforms, if not the man him-

That is the broader calculation

reforms.

It will be hard, for they are no longer driven solely by Moscow: they are driven now from below.

The draft programme nublished earlier this week is evidence of this.

earlier this week is evidence of this. It is in two parts: a draft law on self-government, and draft general principles underlying the law.

Both are due to be presented to the Estonian Supreme Soviet in May following a period until April 24 when amendments to them may be made. If accepted (and there is little chance they will not be) they are designed to be implemented in part by next January and in full by J by next January and in full hy Janu-

ary 1 1991. The principles form the philosophical and political basis of emerging Estonian statehood. There are 19 articles of principle, covering such issues as ownership, taxation, prices, regional policies, social and cultural policies, investment, protection of the environment and relations both

with other countries.

The preamble makes it clear that the land, atmosphere and mineral rights should be vested in the Estonian government; that all enter-prises in Estonia must abide by Esto-nian, not Soviet, laws; that a multiplicity of forms of ownership, including private ownership of at least small companies will be allowed; and that partnership will be sought with other Soviet republics and with foreign countries and com-

The one concession to Soviet interests is this: that "the socialist character of a self-governing Estonia . . . is expressed in creating state social guarantees" — in other words, a welfare state will be preserved, and this will define "socialism"

One of the more contentions will be Article 11, which proposes a form of Estonian citizenship, together with laws on immigration policed by a new immigration service.

for citizenship. At one extreme, sup-porters of full independence call for citizenship to be limited to those liv-ing in Estonia before its annexation by the Soviet Union in 1940, and their descendants - that is, essentially ethnic Estonians.

The moderate line is that the 40

per cent of the republic's population who are Russian or from other republics should be offered citizen-ship if they have had 3-5 years of citizenship and have "put down roots."

A separate currency — seen by some of the anthors of the programme as essential — is mooted, but no specific proposal is made.

In a debate on Estonian television on Tuesday night between Mr Indrek Toome, the Prime Minister, and Mr Rein Otsason, head of the State Plan.

Rein Otsason, head of the State Planning Committee, both agreed some form of currency was needed. Mr Otsason proposed an Estonian credit card, to no dissent from the

Tallinn, Estonia's capital, from Moscow will be decentralised down to enterprises and to local authori-ties. Companies will be encouraged to form co-operatives and to find foreign partners.

The (Estonian) state will set a minimum wage but will not otherwise interfere in collective bargaining. The (unstated) asumption is that Estonia's economy will progressively distance itself from the Soviet

Mr Otsason said on television that the programme was "not compatible with the Soviet five-year plans."
Regional and local authorities will be given the right to set their own budgets, a move which the programme sees as stimulating a resurgance of the countryside.

The or traver or district houndaries

The rayon, or district, boundaries, drawn up by Moscow planners in the 1940s, will be scrapped in favour of former adminustrative units which existed before the Second World War, and which are seen to have

greater cultural and economic valid-

Farmers will be granted leases in perpetuity which they can pass on to their descandants. Even in Mr Gorbachev's Soviet Union (which in truth is not yet much different, in the sphere of economic relations, from Brezinev's or even Stalin's) this is bresthatking.

It has its critics: most bitterly the Russians living in Estonia, many of whom are workers or managers in the All-Union enterprises which report, presently, to Moscow ministries.

These last month held demonstra-tions in the streets of Tallinn and promised strikes tis week (which have not materialised).

The optimists among the Estonians say that many Russians are coming to accept the autonomy phi-losophy because they realise Estonia will be a pleasanter place to live in than their homeland But that's a hope rather than a fact.

AMERICAN NEWS

By Ivo Dawnay in Rio de Janeiro

A ROW has broken out between Brazil

and France over advertisments published in Paris to publicise the outcome

of last month's 24-nation meeting in the Hague on the environment. Brasilia says France has wrongly implied that President José Sarney's

part of its national sovereignty for the common good of all humanity."

In recent months, politicians and diplomats in Brazil have repeatedly responded to international criticism of the destruction of Amazon rain forest by saying the country will never sur-

government is "ready to surrender

Brady warns of presidential veto on S&L rescue

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MR Nicholas Brady, US Treasury Secretary, has warned Congress he may rec-ommend a presidential veto if lawmakers put forward a rescue package too favourable to the savings and loan (S&L).

industry.

Mr Brady, pressing Congress to leave President George Bush's own rescue plan largely intact, said he was concerned that legislation might attempt the control of to postpone the 1991 deadline for new, tougher capital requirements for the industry.
A senate house banking subcommittee yesterday approved amendments to Mr Bush's res-

cue package that would strengthen the Federal Deposit Insurance Corporation and give the agency broader borrowing powers.

The subcommittee over-

whelmingly approved a mea-sure that would make the FDIC the "principal" regulator for state-chartered thrifts. It would also permit the

FDIC to issue notes not exceeding a total that would place the agency in a net deficit position. Separately, the panel approved a package of amendments put forward by Mr William Seidman, FDIC chairman, which would strengthen the agency's political indepen-

Aside from the question of capital requirements, the Bush Administration's other main

objection focuses on attempts by Congress to use a different financing mechanism to raise

the money to pay off depositors at insolvent S&Ls. The Administration has proposed using an off-budget gov-ernment corporation that would sell \$50bn (£29bn) worth of bonds, but key Democratic lawmakers have said that the Treasury could raise the money at lower interest rates if it sold the bonds itself.

They argue that the financing method would not breach the Gramm-Rudman budget balancing law because it would count as an extraordinary spending measure in the mid-dle of a financial year.

Mr Brady, however, has countered that attempts to cre-ate a budget fudge would are a budger rudge would arouse concern among the Group of Seven industrialised countries, which are pressing for credible reductions in the federal budget deficit.

The House banking committee has begun consideration of a bill this week, and the Senate banking committee, is due to

banking committee is due to

begin drafting next week.

The S&L industry, exercising its political muscle on Capitol Hill, has focused its campaign on attacking the 1991 deadline for more rigorous capital stan-

A compromise is, at this stage, considered much more likely than a veto.

Bush threatens bill on minimum wages

US PRESIDENT George Bush yesterday renewed his threat to veto legislation raising the minimum wage beyond \$4.25 an hour as Senate Democrats moved to quickly pass a bill, raising the wage floor to \$4.55, AP-DJ reports from Washing-

House Minority Leader Mr Bob Michel, who met with Mr. Bush and relayed his comments to reporters, said the President "made it abundantly clear there will be absolutely no flexibility, not one penny, not one deviation"

Mr Bush met Republican congressional leaders hours before the Senate opened

debate on the legislation.

The Senate bill, sponsored by Senator Edward Kennedy would raise the hourly mini-mum from \$3.35 to \$4.65 by January 1992 and contains no provision allowing a lower

wage for new workers. But Kennedy aides said he would offer an amendment making his measure identical to the House bill passed two weeks ago; which has a final

Standoff in Haiti as fighting dies down

By Michael Tarr in Port-au-Prince

A TENSE standoff continued salines Battalion and the Leopyesterday morning between troops loyal to Gen Proper Avril, Haiti's President, and dissident soldiers demanding his removal because they oppose a recent purge of officers accused of corruption: Long bursts of automatic

weapon fire punctuated the night in most parts of the capital but there appeared to have been no fighting. Reports were eketchy because the Government has

declared a state of emergency, imposed a curiew and ordered radio stations to broadcast only official communiques. The 1,100 men of the presidential guard, loyal to General Avril, are outnumbered by the

ards Corps, with 450 men. But the president's faction has the army's only armoured vehicles. In an address from the presidential palace, Geu Avril appealed for an end to the mutiny "to prevent the nation's collapse" and warned of the danger of foreign inter-

of the danger of foreign inter-vention.

He claimed that the officers,
who began trying to depose
him last Sunday were planning
to restore the kind of rule that
characterised the Duvalier
family's 29-year dictatorship.
Western diplomats and centrist politicians still see Gen
Ayril as Hait's best hone for a

Avril as Haiti's best hope for a transition to democracy and fear anarchy and the return of the Duvalierists if he falls.

Curbs on military in reform plan

influential conservative party keep the military from inter-Reuter reports from Santiago. A 17-party alliance of opposi tion parties and the con

the country needs for the sta-bility of the democratic sys-tem," said Mr Oscar Godoy, a member of the 10-man team of constitutional experts who

Venezuelans stage protests

Venezuelan students and slum residents have staged scattered demonstrations since Monday to protest against the Government's recent economic adjust ment programme, which has provoked steep price increases and higher interest rates, Joe Man writes from Caracas.

Protesters in Caracas and Maracaibo set fire to buses, blocked thoroughfares and engaged in fights with police. The scenes were reminiscent of clashes in February and early March that developed into a wave of violent civilian riots which left 300 dead and thou-

Mexican reform plan expected

Mekico will soon announce its intention to undertake a three year economic reform pro-gramme with an option to extend for another year supervised by the International Monetary Fund, and is seeking new loans from commercial banks

Mr Michael Wilson, Canada's Finance Minister, will deliver the 1989 budget on April 27, David Owen writes from Toronto. An exceptionally austere package is expected as the Mulroney Government attempts to bring its worsening deficit and dabt problems under control in the wake of a sharp run-up in interest rates.

CHILE'S opposition and an yesterday proposed constitu-tional reforms which would vening in politics and limit congress to elected members,

democracy.
"The majority of the country wants reforms. . And these (proposals) will contribute to the necessary consensus that

• Gen Enrique Seguel, former central bank head, has been sworn in as Finance Minister to replace Mr Hernan Buchi, who resigned saying ha was considering standing as a presidential candidate.

sands of injured.
This week's disturbances, in which one person has died, have been concentrated in the two cities and so far have occurred on a limited scale.

Mr Pedro Aspe, Mexico's Finance Minister, told senior US bankers in New York on Tuesday that Mexico would soon submit a letter of intent to the IMF for a three year Extended Fund Facility with an option to extend for another year, bankers said.

Austere Canadian budget likely

Chilean tion parties and the conserva-tive Renovacion Nacional, which together claim to repre-sent the vast majority of Chil-eans, also proposed a series of other changes designed to make the charter conform more closely to a Western-style

drew up the proposals.

The proposals will go to interior Minister Carlos Caceres.

RAZIL'S 1,000-mile North-South Rail-way - the world's lon-gest and most controversial

rail project — is inaugurated today with its proud founder in serious doubt as to its chances of completion.

For as President José Sarney opens the first 65-mile stretch of track, the ministers chug-ging along behind him are well aware that much of the Brazilian public believes it too is being taken on an expensive

and unnecessary ride.
Originally conceived two decadas ago, the rail link between Brazil's isolated northern port of São Luis and Anapolis in the wealthy indus-trial south might once have been considered an exciting new milestone on the nation's

road to development.

Its aim is to turn the huge,
underpopulated Carrado
region – the inland savannah running north from Brasilia into farming's new Calif-ornia, while taking population pressure off the overcrowded coast and south.

It could do both. But poor timing, cackhanded public relations and the all too familiar odour of corruption have turned Mr Sarney's pet project into a national symbol for all that's wrong with his tired

The \$2.4bn (£1.4bn) railway was first announced at the end of 1986 in the midst of an economic crisis, surging inflation and the first in a series of austerity programmes.

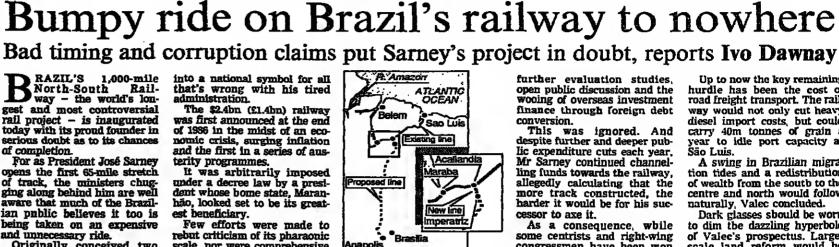
It was arbitrarily imposed under a decree law by a presi-dent whose bome state, Maran-hão, looked set to be its greatest beneficiary. Few efforts were made to

rebut criticism of its pharaonic scale, nor were comprehensive viability studies publicly presented to justify its cost. Within months, an enterpris-

ing journalist proved that the outcome of tendering for the initial engineering contracts was known several days before the opening of the sealed bids. Predictably, criminal investigations into the corruption allegations came to nothing For the public at large, the

scandal instantly transformed the North-South Railway from romantic Cinderella into greedy, Ugly Sister, evidence that the New Republic was as dismissive of democratic consultation processes as its mili-

tary predecessor.
As Mr Affonso Camargo, a



former Transport Minister, observed witheringly at the "In certain cases like this, it would be cheaper simply to pay the commission to the interested parties rather than carry the work through." In a more temperate edito-rial, entitled Off the Rails, the Jornal do Brasil, the respected Rio daily, asserted that while there were arguments for a

railway, the scandal demanded that the project be halted for

Janeiro

Brasília and Paris fall out after environment meeting

render its sovereignty over the region.

The affair is made worse by the per-sonal involvement of French Premier Michel Rocard. According to Brazilian

diplomats, he personally rang Mr Sar-ney last Thursday requesting that he join the other signatories of the

so-called Hague Declaration by simul-taneously publishing the text on April 3. It was also suggested that the news-

paper advertisement might be accom-panied by the text of the speech of each country's representative at the talks. But when the French version appeared, it was accompanied by a

further evaluation studies. open public discussion and the wooing of overseas investment finance through foreign debt

paragraph defending the creation of an

international body with supra-national

powers to deal with ecological issues at the expense of national sovereignty. It

allegedly implied that all 24 signato-ries of the much vaguer declaration

In fact, Ambassador Paulo Tarso Fle-cha de Lima, Brazil's senior diplomat, had specifically attended the Hagne

meeting to ensure any such proposals were not included in the declaration.

A curt note demanding an explana-tion for the advertisements, carried in Le Monde, Figaro and Libération, has

had supported such a move.

This was ignored. And espite further and deeper public expenditure cuts each year, Mr Sarney continued channelling funds towards the railway, allegedly calculating that the more track constructed, the harder it would be for his successor to axe it

As a consequence, wbile some centrists and right-wing congressmen bave been won round to the railway, many on the left - now gaining politi-cal momentum in the lead-up to November's presidential elections - regard abandon-ment of construction as an article of ideological faith.

This might be a pity. A month ago, Valec, the state rallway company, made a powerful argument for rail transport as a means to open up the Cerrado. They told foreign journalists - "Ours have closed their minds," one executive confessed - that the combination of new fertilisers and farming techniques could make an area of 143m hectares, three times that of France, burst into bloom.

Up to now the key remaining hurdle has been the cost o road freight transport. The railway would not only cut heavy diesel import costs, but could carry 40m tonnes of grain a year to idle port capacity at

now been sent to the French embassy,

expressing Brazil's "perplexity and dis-

The French are taking a calm attitude to the row, and seem willing to placate Brazil through diplomatic

channels. But the row is certain to

worsen already poor relations between

the two countries over "green" issues.

• Mr Sarney was yesterday due to

announce details of a \$178m package of

environmental measures including the

creation of four new ecological

reserves, land reform and new controls on forest destruction.

sgreement" with the text.

São Luis. A swing in Brazilian migration tides and a redistribution of wealth from the south to the centre and north would follow

naturally, Valec concluded.

Dark glasses should be worn to dim the dazzling hyperbole of Valec's prospectus. Large-scale land reform would be necessary if any major lasting population shift were to

become reality.

And what would be the environmental impact - now the most potent poison pill against foreign investment interest — on the nearby Amazon rainforest?

Nevertheless, it is hard to argue that there is no case whatever for further serious consideration of Mr Sarney's

unpopular brainchild. But as he mounts the footplate for today's inaugural outing, the president may unhappily reflect that the greatest threat to its achieving full maturity is public distaste for the manner of its hirth.



BASF, one of the world's leading chemical companies, has invested considerable resources to achieve optimal efficiency through vertical integration of its production facilities. From the production of petrochemicals such as ethylene and propylene to finished plastics. From synthetic gas to highvalue specialty chemicals.

Strength In Basic Chemicals

This high degree of integration is one of the major assets of the BASF Group, and is an outgrowth of more than a century of producing basic chemicals. At the Group's home base in Ludwigshafen, for example,

BASF operates production facilities for all of the most important basic chemicals: ammonia, methanol, carbon oxide/hydrogen, sulphuric acid, chlorine/sodium hydroxide, ethylene/propylene, acetylene, and benzol — the building blocks for practically the entire range of chemical products.

BASF produces these chemicals only for captive use, utilizing modern, cost-efficient technology that makes possible in-house production below market prices. The company does not aim to produce all of its needs for basic chemicals. These facilities, however, enable the Group not only to

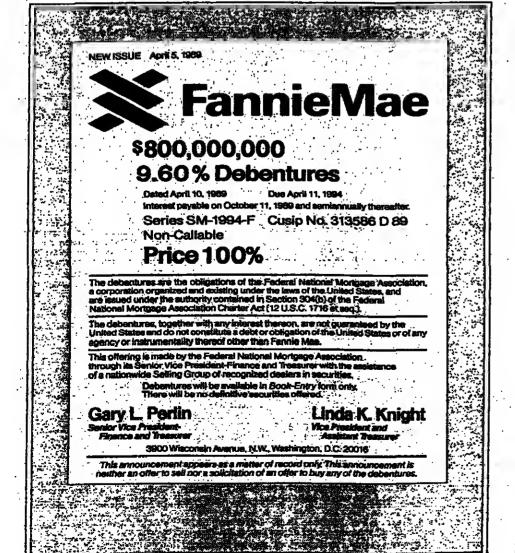
operate its own plants efficiently at high capacity but also to maintain stability and flexibility in its needs for raw materials.

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The Blue-Chip Innovators



OVERSEAS NEWS

Namibia fighting India fights to control population growth grows ahead of ceasefire talks

By Anthony Robinson in Cape Town

THE bush war between South West African People's Organi-sation insurgents and com-bined South African backed police and army units intensi-fied yesterday as diplomats from Angola, Cuba, South Africa, the Soviet Union and the US prepared for key cease-fire talks in the Namibian capital Windhoek on Saturday.

The five powers are members of the joint commission set up at South African insistence as a forum for ironing out any difficulties which arose in the implementation of the tri-partite Angolan peace agreement signed in New York on December 22 hy Angola, Cuba and South Africa.

The two superpowers participate formally as observers. The Soviet delegate to Saturday's talks, called at Pretoria'e request, will be Mr Anatoli Adamishin, the Soviet Deputy

Foreign Minister. Cuba, which yesterday told Pretoria that it shared concern over developments in northern Namibia and re-affirmed its commitment to the international treaties, will be repre-sented by Mr Carlos Aldana, a senior diplomat who took part in all the treaty negotiations.

The Angolan delegation will

also be at ministerial level. The Cuban and Angolan teams come fresh from negotiations in Luanda in which Mr Marrack Goulding, a UN special eovoy, sought to hammer out ceasefire terms with Mr Hidipo

SYRIA yesterday criticised the

recent upsurge of French sup-port for Lebanese Christians,

as artillery bombardments in Beirut shattered an Arah

League-sponsored ceasefire

hours after it came into effect.

Mr Farouq al-Sharaa, the Syrian Foreign Minister, was quoted in Damascus as attack-ing "irresponsible statements in Parls."

But he made no direct refer-

ence to a claim by Mr Jean-Francois Deniau, a French spe-

cial envoy sent to Lehanon, that Syria ordered the shelling of the French Embassy in Christian east Beirut on

Wednesday in a vain attempt to prevent him from meeting

General Michel Aoun, the

Christian leader. Mr Deniau

later met Gen Aoun and

crossed to west Beirut to see

Mr Selim al-Hoss, the rival Moslem Prime Minister backed

KASHMIR, which is beginning to rival the Punjab as India's

most lawless province, was yesterday sbaken by a fourth day of violence. Anantang, one

of Kashmir, was placed under indefinite curfew after the

army clashed with demonstra-tors throwing petrol hombs. And in Srinigar, the capital, shops remained closed as part

of a protest movement while skirmishes between police and

border, is the most politically sensitive state in the union

because of its Moslem majority

and because of the border dis-pute with Pakistan. This

week's clashes mark the third time this year that the prov-ince has been rocked by vio-lence. Hindu-Sikh riots in Jan-

uary were followed last month

by widespread demonstrations over Salman Rushdie's book,

The Satanic Verses.

At the heart of the trouble

Kashmir, on India's northern

rioters continued.

President François Mitter- day yesterday.

Kashmir hit by fourth

day of violent protest

Hamutenya, the Swapo repre-

sentative. General Magnus Malan, the

South African Defence Minis-ter, Mr Pik Botha, the Foreign

Minister, and Mr Neil van Heerden, the Director General of Foreign Affairs, will head

the South African delegation at the meeting, to be held at a secluded farm outside Win-

ceasefire with the priority of stopping the killing and getting Swapo guerrillas out of Namihia and into Angola. A police spokesman at the Oshakati base in northern Namihia said the Swapo death

toll rose to 218 yesterday. The fighting intensified between

small groups of insurgents over a front which has expan-ded in the last two days from

300 to 500 kms as further Swapo units reportedly crossed

the border and split into emall groups to avoid being hunted

The main sticking point

remains Swapo's apparent insistence that the over 1,500

armed men who have crossed the border in defiance of inter-

national agreements since April 1 should be allowed to remain in UN guarded camps

President P.W. Botha yesterday confirmed in parliament that South Africa demands their removal from Namibia to

rand again expressed his sup-port for Lebanese Maronite Christians yesterday in a meet-

ing with French members of parliament. "France is the friend of all Lebanese hut today it is the Lebanese Chris-

tians whose lives and security are threatened," he said. "We

will not accept that any minority at risk should be sacri-

About 150 people have been killed in Beirut since mid-March when Gen Aoun

attempted to exert his author-

ity over militia-run ports and went on to challenge the pres-

ence of some 30,000 Syrian troops in Lebanon. Arab League mediators pro-

Arab League mediators proposed a ceasefire plan — their second in nine days — after meeting Lebsnese Moslem and left-wing leaders in Damascus. They called for a ceasefire at midnight on Wednesday, but the shelling resumed after midder vectories.

lie some of the factors that pre-cipitated Sikh extremism in

spread unemployment among educated youth and a rise in religious fundamentalism. In Kashmir, discontent has been

tion government of Dr Farcoq Abdullah which is seen as hav-ing gained power hy ballot rig-ging in 1986 and to have been corrupt and ineffective since.

As in the Punjah, large num-

bers of weapons have flowed into the province. The Govern-

ment says these come from Pakistan and that some are weapons originally supplied by the West to Afghan guerrillas. It accuses Pakistan of having

given training to 300 Kashmiri

saboteurs who are backing a ecessionist movement.
The provincial coalition Gov-

ernment, which includes the

Congress party of Mr Rajiv Gandhi, the Prime Minister,

seems powerless to stop the escalating violence.

above the 16th parallel.

Syria angered at French

statements on Lebanon

down hy security forces.

K.K. Sharma in New Delhi on the moves to introduce 'voluntary' family planning

AFTER the excesses of forcible sterilisation, engineered by the late Mr Sanjay Gandhi, the controversial brother of the present Indian Prime Minister, during his mother's emergency rule in the mid 1970s, the Indian Government has been reticent about its population control programme, the only one of its kind in the world.

Recently, bowever, what is now called the Ministry of Family Welfare (rather than family planning or birth con-trol, which its programme is all about) broke its silence to claim that India's birth rate is

gradually declining.
Following the "massive family planning programme" that has been vigorously pursued for the last several years, the ministry claimed, the birth rate started declining from 1985 when the national average was 32.9 per thousand to 32.6 in 1986 and 32.2 m 1987.

1986 and 32.2 in 1987.

The ministry also claims that family planning methods are available to 90 per cent of the population, although it acknowledges that only 35 per cent of these actually "practice" hirth control methods while 65 per cent are just "aware" of them.

aware of them.

The claims disguise the fact much-needed birth control programmes aimed at elowing down India's baby boom has barely tonched the fringe of the problem.

An Indian is still born every small sub-district health centre 1.2 seconds, so that the popula-tion is rising et the alarming rate of 70,000 a day. Having already crossed the figure of with modern equipment, clean well-equipped operating thea-tre where a weekly sterllisa-

800m, it is fast approaching the 1bn mark.

Despite the \$1.9bn spent on hirth control measures in the past decade, this has meant the population is still growing at the rate of 2.2 per cent a year. This is rapidly eroding the sains from economic developgains from economic develop-ment and constantly adding to the vast army of India's unem-

Family planning experts say the hirth control programme has still not rid itself of the stigma that stained it during Sanjay Gandhi's forcible sterilisation campaign and slower methods have had to be used. Yet what has not changed is the "target" approach and the officials' mania for statistical success has led to methods that come close to the "excesses" of Mrs Indira Gandhi's emergency rule. In the north-western state of Haryana, for instance, teams of junior officials fan out into the

villages to spread the message of the benefits of small families and persuade married people with more than three children to accept some kind of birth control methods. Although the officials claim that this inclodes condoms or the pill, in practice it has meant enrol-ment of volunteers for sterilisa-

Sterilising operations are carried out in modern hospitals of the kind that exist at Nuh, a

100 "cases" a week is rarely achieved despite a vigorous propaganda campaign on the advantages of small families.

District officials are under constant pressure to fulfil the target and this has led to a chain of pressure tactics down the line that come close to San-

layers with dealines with the officials complain they are often asked to produce "volunteers" for sterilisation if their work in Government depart-ments is to be done speedily. This frequently means that before bank loans are granted, sale deeds registered or subsidised supplies made, villagers must provide a certain number of volunteers for sterilisation so that district officials can fulfil their targets. Such volunteers have usually to be "bought" and, as one villager said bitterly: "They benefit in two ways. They are paid by the Government for volunteering

The villagers admit to mal-practices. Volunteers for sterlisation are often past the age of producing children. Family planning experts say some go through the operations two or three times, cashing in on the rewards each time. This is, in

for the operation and they are

paid by us for agreeing to vol-



Indian women wait outside a village family planning clinic

fact, admitted in an official report which says: "There is a fairly high proportion of inaligible couples undergoing sterilisation who are reported to be beyond the reproductive span." The population control programme faces other hurdles, notably superstitions and religious beliefs like the Hindu's wish for a son to light his funeral pyre that motivate

funeral pyre that motivate large families. In villages, small families do not just mean fewer mouths to feed, as offi-cial propagands tells the peo-ple, but also fewer hands which would otherwise be used to augment the family income.

This compounds the health workers' difficulties in "motivating" couples to accept family control methods that would space their reproduction. Since they have to fulfil targets, the

result is frequent fudging of result is frequent fudging of such reports of successfully motivating couples to use condoms or accept intra-uterine devices. A Government report admits: "There appears to be a high degree of over reporting of cases with regard to HUD insertions and distribution of oral pills and condoms." Since the emphasis of the family programme remains on sterlisation, volunteers for which are difficult to find, the birth control programme with its target of reducing a birth rate to 29.1 per thousand by 1990 and 21 by 2001 is almost certain to be missed. Says a senior official of a private family planning foundation:

"There seems to be a second below beam second the corner.

baby boom around the curner and it will push up the popula-tion even faster."

Bhutto cuts activities of Pakistan intelligence

MS Benazir Bhntto, Prime Minister of Pakistan, has curbed the role of Pakistan's military intelligence in arming and supporting Afghan and indian rebels, an Indian minis-ter said yesterday. Reuters

reports. India, which has fought India, which has fought three wars with Pakistan since the two countries became independent of Britain in 1947, has complained hitterly in the past that Pakistan'e Inter-Services Intelligence (ISD) aided Sikh and Kashmiri militants.

But Deputy Rome Minister Mr Palaniappan Chidambaram told parliament Ms Bhutto had severely curtailed its activities since taking power last December.

There is a whole lot of evidence that the ISI's powers and sphere of action in encouraging terrorism in India and Afghanistan have heen severely curtailed since democracy returned to Pakistan," Mr Chidambaram said. Mr Rajiv Gandhi, Indian

Prime Minister, made the first official visit to Pakistan by an Indian prime minister last year when he attended a regional conference in Islamabad and held talks with Ms Bhutto. Both expressed a strong desire for better relations. But Mr Chidambaram added that ISI links to Sikh militants in the north Indian state of Pun-jah and rebels in Kashmir had

Official Taiwan delegation to visit China

AN OFFICIAL Taiwanese delegation will visit China next month for the first time since 1949 for the annual meeting of the Asian Development Bank, Reuter reports from Taipei. The decision marks a further

thaw in relations between Peking and Taipel, which have been technically at war since 1949 when Communist armies drove the Nationalist government into exile on Talwan. Talwan's Foreign Ministry said it had not changed its offi-

cial policy of "no contact, no negotiation and no compro-mise" with the Paking govern-Nationalist delegates to the three day conference would

member nation of the regional development bank and would ist officials

The delegation is not being sent to discuss or to have contact with the Chinese commu-

mists on relations between the two sides, it said. Taiwan attended the last annual meeting in Manila last April after a two-year boycott in protest at a decision to change its designation to "Taipei China" from "Republic of China"-after Peking was of China after Peking was admitted to the bank in 1986. The Nationalists still claim to be the government of all China and viewed the name change as designed to downgrade the island's status.

Taiwan has still not accepted the new name and is to con-tinue negotiating on the issue.

Japanese strike

About 50,000 Jananese dockers went nn strike yesterday demanding higher wages and shorter working hours, para-

shorter working hours, paralysing the country's major container ports, Reuter reports from Tokyo.

The container blockade followed a two-hour strike at six ports on Wedneeday, and shipping sources said chances for an early breakthrough in the dispute were slim.

An estimated 1,700 dockers picketed at yard gates stopping container movements at the ports of Tokyo, Yakohama, Shimizu, Nagoya, Yokkatchi, Osaka, Kobe, Hakata, and Moji.

Ceasefire rejected

Afghan rebels yesterday rejected a call by the Kabul government for a ceasefire during the Moslem holy month of Ramadan, saying they were on the verge of victory, Ramer reports from Islamabad.

The Defence Ministry of the Pakistan-based rebel government railed on all Mujahideen sperillas to redeable their ment called on all Mujahideen guerrillas to redouble their efforts during Ramadan, which began yesterday, Moslams are supposed to fast from dawn to dust during the holy month, but those fighting a Jihad, or holy war, are excluded.

In Kabul a robal cocket bit a In Kabul, a rebel rocket hit a fuel depot yesterday, destroying 13 oil trucks that had just reached the fuel-starved capital from the Soviet Union.

Chinese troops turned out in force at Peking's central onstration, AP reports from Peking.

Hyundai softens line

By Maggle Ford in Secul

on strike

MR Chung Ja Yung, chairman of South Korea's Hyundai business group, yesterday gave in to mounting pressure urging his intervention in the continuing strike at the

company's shipyard.

After a meeting with Dr Han
Seung Soo, Minister of Trade
and Industry, Mr Chung
apologised for the trouble the
strike was censing and agreed
to attempt to work out a

More than 10,000 police launched a dawn raid on the yard last week to end the three-month-old strike.

Since then, however, more workers have joined the company's democratic trade union in protest at the police action. Mr Chung'e failure to negotiate with the workers and reliance on the police has sparked strong criticism. Students and dissidents have travelled to Hyundai's

east coast "company" town of Usan, to support the workers. Demonstrations have continued for a week with riot police fending off stones and molotov cocktails with shields and tear gas. Fears have grown that if the violence escalates a major crackdown

may take place. The Government warned yesterday that it would not tnlerate involvement of "leftists" with workers, but denied that it had any intention of using military force at the shipyard.

The three opposition parties yesterday called nn the Government to withdraw the police from Ulsan and criticised Mr Chung for his failure to take responsibility for the strike. for the strike.
The workers are demanding

that the company recognise the democratic trade union, rather than the union set up hy the company.

They also want an apology from the management for its violent tactics against union

leaders and the release and reinstatement of several unionists who have been imprisoned.

However, now Mr Chung has agreed to take part in seeking a solution teating. solution, tensions may be

Libyan jet deal worries Israel

By Hugh Carnegy in Jerusalem

ISRAEL yesterday expressed "deep concarn" over the Soviet Union's sale to Libya of advanced jet bombers which would bring Israeli territory in range of Tripoli's air force.
Reports from the US that
Libya is acquiring up to 15
Sukhoi SU-24D jets, six of
which are thought to be in the country already, set off specu-lation that Israel might launch a pre-emptive strike to counter the potential threat, as it did against an Iragi nuclear plant in 1931 and the Palestinian Lib-eration Organisation headquarters in Tunisia in 1985. Israel is always happy if its Arab adversaries believe it is

ready to take aggressive action, but its response to this latest addition to the Middle East arms huild-up seemed aimed at Moscow as much as

Mr Moshe Arens, the Foreign Minister, said he was surprised that the Soviet Union was pre-pared to sell such sophisticated aircraft to regimes such as that of Colonel Muammer Gadaffi. "It does not add to stability in the Middle East and cer-

tainly does not advance the peace process," he added. His ministry called on Moscow to reconsider the matter. Defence Ministry officials said Libyan acquisition of such

strike Israel from the air without its jets having to refuel on the ground. The SU-24s have mid-air refuelling equipment and a range of 800 miles. Second, the Israeli air force was suffering a hudgetary squeeze which placed limits on

aircraft was worrying on two

counts. It meant Libya would, for the first time be able to

Through Israeli eyes, the development adds to the list of potential enemies which can make direct strikes against the country. However, officials played down the possibility of pre-emptive strikes, at least at this stage.



Australian docks reform recommended

By Chris Sherwell in Sydney

DECADES of stultifying inefficiency at Australia's docks could be ended if the Labor government accepts wide-ranging reforms recom-mended in a report tabled in

parliament yesterday.
The report is by a three man body called the Inter-State Commission, and has taken almost 2½ years to compile.
Its findings were promptly spurned by the powerful Waterside Workers Federation and endorsed by business and farmers groups.

The Government has prom-

ised a statement both on the docks and the similarly vexed issue of coastal shipping in

Existing arrangements impose unnecessary costs run-ning to hillions of dollars per year, and reform is a key ele-ment of the Government's general commitment to structural improvements to the economy. The recommendations in

yesterday'e report are supposed to be implemented over three years, and would cost around A\$300m (£147m). But they would save an estimated

A\$500m a year and offer work practice reforms, lob another A\$120m in benefits for restructuring and retraining,

The aim is to improve man-agament, remove anti-competi-tive practices, improve indus-trial relations and strengthen the influence of importers and

The commission foresees the loss of 3,000 jobs, but also the recruitment of about 1,000 workers agad under 30 to rejuvenate the stevedoring industry, where the average age is around 50. It recommends

restructuring and retraining, and changes in the way labour is hired. It also suggests changes for port anthorities, and for port and shipping ser-

The Waterside Workers, one of Australia's most powerful. nnions, has taken particular exception to the proposed reduction in its coverage, effectively restricting it to major container terminals and large ports and removing it from small ports and bulk handling

Hong Kong urged to admit migrant labour

HONG KONG'S leading employers' organisations yes-terday urged the Government to admit 50,000 workers from China and other Asian coun-tries during the next two years to ease a serious labour short-

Nine chambers of commerce and industry federations pro-posed that in the short term at least 20,000 workers be brought in daily by bus and train from the China's adjacent special economic zone of Shenzhen to supplement the colony's labour

force of 1.8m.

Workers from China and other countries should also be brought at full local wage rates on six-month to two-year contracts, based on experience in Singapore. In the longer term

permanent migrant workers should be allowed in from China, supplementing a cur-

New Hong Kong laws are to be enacted in Chinese as well as in English from today, starting with the planned new Securities and Futures Commission Act, as part of preparation for the colony's return to China in 1997. Some 31 volumes of existing laws are being translated into Chinese

rent quota of 75 people a day who mostly come to join their families.

The labour shortage has become serious in the past year. Employers estimate there are 200,000 to 250,000 vacancies in construction, manufactur-ing, retailing, hotels and other

service sectors - mostly for service sectors - mostly for unskilled workers.
This has helped push inflation to more than 11 per cent.
Labour costs rose by more than 20 per cent last year, according to a report published by the employers yesterday, and wage rises in some sectors exceeded 30 per cent.
The Government puts the The Government puts the

vacancies figure nearer to 130,000 and is refusing to admit unskilled labour. It believes this would put unacceptable this numb strains on scarce housing and over-stretched infrastructure first time.

and depress wages, which would cause union and other problems. In addition it is believed to

fear a politically embarrassing row if large numbers of migrant workers refused to return home at the end of their contracts during the sensitive run up to 1997, when Hong Kong reverts to Chinese sover-

eignty.

The Government's current policy allows skilled labour in far selected jobs — about 5,000 are estimated to have been admitted last year. Earlier this week it bowed to mounting pressure and agreed to examine ways of quickly increasing this number – including some workers from China for the

Refugee policies that leave Vietnam's boat people adrift

Richard Gourlay reports on the move towards screening procedures that will add to the problems of asylum-seekers FTER six days at sea in

A 40-foot fishing boat, Nguyen Nhu Son landed in the Philippines on March 25, thirlking that as a Vietnamese hoat person he would automatically be resettled in the US or Canada

only to discover he may no longer be considered a refugee. Like hundreds of boat people still leaving Vietnam, Nguyen Nhu Son was caught by an Association of South East Asian Nations declaration in Kuala Lumpur last month aimed at haiting the sharp rise in boat people arriving in Thailand and Malaysia particularly. This had triggered a resump-tion of the unofficial Thai practice of pushing refugee boats back out to sea, often into the

arms of Thai pirates, or redirecting them to Malaysia,

according to refugee workers.
At the Kuala Lumpur meet-

ing of 35 countries, including Vietnam, Asean said that after March 14 member countries will distinguish between "eco-nomic migrants," who are sim-ply looking for a better life, and "genuine" refugees fleeing well-founded fears of political, religious or racial persecution. In theory those "screened in" as refugees will be resettled, but those "screened out" will etay in first asylum country camps until they decide to return home, the declaration said. It did not talk of forced

repatriation, which officially is opposed by all participants. The 12 countries most affected by the flow of Indochinese refugees, including the US, Canada and Australia, began a meeting in Hong Kong yesterday to study the colony's screening procedure, hurrledly introduced last June after a

The world total of people exiled from their homeland, as estimated by the US Committee for Refugees in its report released yesterday, rose by more than im last year to 14.4m, Reuter writes from Washington. They will then see if it can be

adopted by Asean countries.

The Kuala Lumpur declaration was hurriedly pushed
through by Thailand and Malaysia, over the heads of their partners who adopted later cut-off dates, in an effort to prevent an exodus of boat people before a UN meeting on refugees in Jnne, when a detailed plan will be adopted. To some extent the borse has already bolted. Arrivals in Hong Kong, mainly from North Vietnam where there have been three years of bad rice sharp increase in arrivals. harvest, jumped over fivefold to 15,400 in 1988. gramme (ODP), which allows in Thailand arrivals fell 37 direct migration. As a result, per cent to 7,086, probably as a since the Kuala Lumpur meetper cent to 7,086, probably as a result of the "push-off" policy; in Malaysia they rose 66 per cent to 13,312; and in the Philippines they rose 43 per cent to 3,836 in the same period, helping to bring the total num-ber of Indochinese boat people by the end of March to nearly 62,000, up 21,600 on 1987, according to the UN High Com-

mission for Refugees. Vietnam's active participa-tion in the Kuala Lumpur talks is only one sign it is prepared to do more to discourage the boat people, some western dip-

lomats say.
Recently Vietnamese officials helping boat people escape have been arrested, while refugee officials just back from Ho Chi Minh City say Vietnam has speeded ur the Orderly Departure Pro-

ing Thalland is again accept-ing boat people and concern that countries of first asylum will close their borders has for the time being receded. But there are serious doubts doubts whether an effective screening programme can be set up, refu-see officials and some diplo-

mats say.

Hong Kong's screening pro-gramme which the Asean committee will observe this week is clearly not deterring the boat people. Some 1,350 have arrived so far this year, nearly 50 per cent more than in the same period last year, and only a handful have so far been designed as referenced as referenced. ignated as refugees.
Second, many refugees in

the Philippines say that even if they thought they might be screened out as economic

migrants they would still have risked a lost passage, suggest-ing Asean might be seriously underestimating the passion with which Vietnamese wish to Then there is the uncertain status of screened out asylum seekers, who would accumn-late in a sort of international limbo in first asylum countries

and, if they did not opt for vol-untary repatriation, would put their hosts under the same pressure they are under now. One possible solution floated in Kuala Lumpur was that those screened out would be moved to an international holding centre until they decided to go home. Thalland suggested this could be in the Philippines, where there is no historic animosity such as that between the Thais and the Vietnamese. The Philippines is studying the plan.

nomic conditions in Vietnam, there is only one simple, but as yet internationally unaccept able, solution to the refugee problem and that is forced repairiation or deportation." says Mr Herman Laurel, the administrator of the Philippine

administrator of the Philippine Refugee Processing Centre.

Mesawhile, Nguyen Nhu Son and his family will go to the Palawan refugee camp at least until screening begins after the Geneva meeting. Until then be is neither a refugee nor a migrant. But the grapevine that carries every nuance of international refugee policy back to Victnam will be feeding back to potential boat people nne important mesple nne important mes-sage that screening and

Troops halt demo

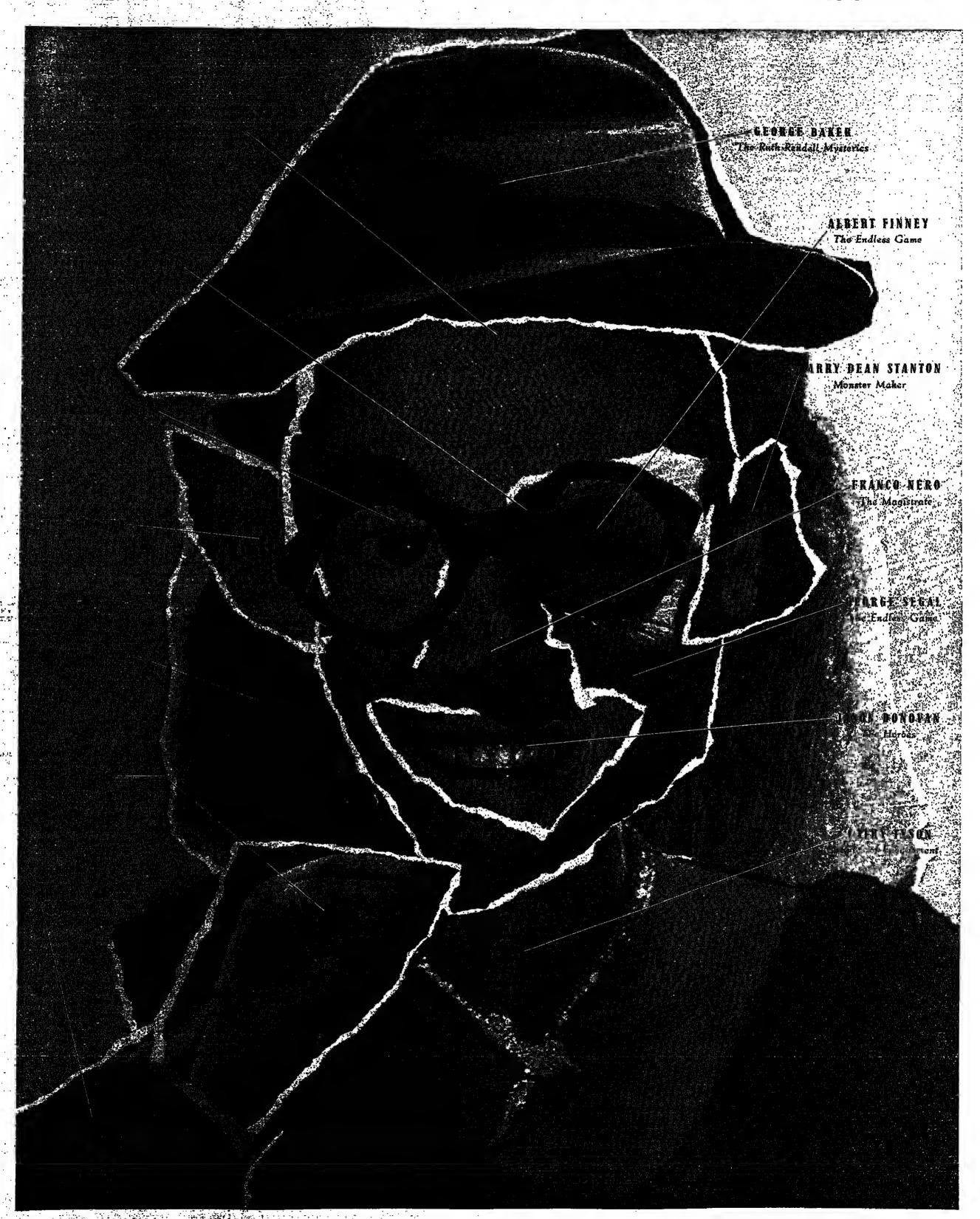
square to prevent against any demonstrations that might be planned to commemorate the April 5 1976 protest which signalled the end of the Cultural Revolution. One man was taken away as he tried to commemorate an important demBhutto o

of Pakin

THE PASSED FOR THE PASSED BY THE PASSED FOR THE PAS

Divisial Table delegation and China

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WORLD TRADE NEWS

Dunkel tries to force the pace on farm reform

By William Dulforce and Peter Montagnon in Geneva

hands were tied by a freeze on

export subsidies.
The argument highlights the

difficulties in applying a freeze on farm supports, when coun-tries are using different budget

instruments to pay their farm-

The EC is arguing that the steps it has already taken to

reduce its cereal prices are

comparable with the US set-aside support. The only way of

measuring a freeze covering two such disparate instru-

ments is to use an aggregate measure of support (AMS), EC officials say. But the EC's insistence that an AMS must be used to check whether gov-

ernments are complying with the freeze is opposed by most other countries, which want the freeze applied to each pol-

icy measure.
The AMS forms a second

hurdle which negotiators have to take before they can reach the crucial accord on how to

negotiate farm trade reform

Mr Niles is regarded as a

local sensitivities. His trade experience will be vital in a post mainly concerned with the implications of Europe

1992, specifically issues such as reciprocity in financial services

TOP TRADE officials were told farmers that they will have to yesterday that they were run-ning out of time to reach an agreement on farm reform that would unblock the stalled Uruguay Round of multilateral trade negotiations.

The warning, from Mr Arthur Dunkel, Director General of the General Agreement on Tariffs and Trade, came as formal negotiations entered their second day with no agree-ment in sight on short term farm reform. Mr Dunkel, who had earlier expressed optimism that agreement was near, has begun to force the pace of the talks which are nonetheless now expected to run on into

the weekend.

Delegates said that despite a widespread will to reach agreement, several countries were now having problems with accepting the concrete implica-tions of a freeze on farm supports which forms an essential part of any final package. The US has been insisting

that the terms of a freeze should not prevent it from releasing land currently setaside from grain production for fresh planting to compensate for the effects of last year's drought. The European Community considers that this would give the US an unfair

The EC cannot tell its dairy over the next two years.

MR THOMAS NILES, the US

mid-1985, has been appointed as US representative to the European Community in Brus-sels, where he will deal with

America's concerns over the creation of the unified Euro-

last year's Canadian election.

pean market in 1992.

Niles appointed as US

By Peter Riddell, US Editor in Washington

representative in Brussels

ambassador to Canada since strong negotiator, but also as mid-1985, has been appointed calm and tactful in handling

The choice of 49 year-old Mr
Niles is significant since he is
credited with helping to lower
tensions over the US-Canada
Free Trade Agreement which
became an explosive issue in
last year's Canadian election

reciprocity in mancial services
and standards.

A career diplomat, he was
involved with European affairs
at the State Department in the
early 1980s and has held posts
in Moscow, Belgrade and Brus-

Trade row between US and Canada worsens

By Our Correspondents in

CANADA is to ask the General Agreement on Tariffs and Trade next week for permis-sion to retaliate against the US because of its failure to comcontinue living with quotas, if US farmers may be released from the restrictions of the set-aside programme, EC offi-cials argue. Exceptions should not be granted to the US alone, they say. The US should not be allowed to increase its grain production while the EC's hands were tied by a freeze on ply with a Gatt ruling on its so-called "Superfund" oil levy. Its decision follows closely

on an announcement last week by the US that it was in turn planning retaliatory action against Canada for refusing to amend its curbs on the export of unprocessed fish in line with a Gatt dispute panel find-

Neither country wants this intensification of hostilities to spoil the atmosphere of this week's Uruguay Round trade talks, but diplomats believe it reveals limits to their Free Trade Agreement which is supposed to make for smooth relations.

It also strikes to the heart of one part of the Uruguay Round which is designed to strengthen Gatt by tightening up its dispute settlement pro-cess in a way that would put greater pressure on members to comply with panel rulings.
Gatt's Superfund ruling which decreed that the oil levy, imposed in 1986 to finance a \$9bn environmental

finance a \$9bn environmental protection programme, discriminated against foreign snppliers has been a long-standing embarrassment to the US. Washington has been unable to persuade Congress to amend the relevant legislation.

legislation.

The European Community, which was also a party to the Superfund complaint, has already drawn up a list of possible retaliatory measures. A Commission official said this week it would act "very soon" in the absence of an appropriate US response. ate US response.

Delegates to the Genava Gatt trade talks said these developments underline how quickly a fresh burst of disputes could break out in the absence of agreement this week to set the Uruguay Round back on the rails.

Canada says it has been considering amauding its fish export regulations in ways that would satisfy the US.

UK hangs on to Middle East export market share

By Victor Mellet, Middle East Correspondent

BRITISH exports to the Middle East fell by 3 per cent last year to £5.27bn, although Britain is holding on to its 11 per cent share of the market, according to an analysis of trade statis-tics by the semi-official Com-mittee for Middle East Trade.

Four years ago, Britain's market share was only 8 per cent, and the improvement is attributed by Comet to Britain's relativa weakness to winning the major projects of the late 1970s and early 1980s. Today much of the infrastruc-ture in the Gulf oil states, often built by Britain's Japa-nese, European and American competitors, has been com-

"Wa're still hanging on to our increased market share," said Mr Sinclair Road, a consultant for Comet. "Wa've always been better at general supply husiness."

Despite the drop in British exports to the Middle East, the region's share of all UK exports rose slightly to 7.1 per cent last year from 6.8 per cent in 1987 - reflecting the overall in 1987 - reflecting the overall fall in UK exports in sterling

Iraq was notable for increas-ing its imports from Britain by more than 50 per cent to £412m, a rise linked to the provision of British export credit guarantees, while Iranian imports from Britain fell 20 per

cent to £248m. Significant increases were also recorded in Oman and Algeria, and Leba-non · where whisky, cigarettes and other consumer goods are imported for smuggling to

Exports to Saudi Arabia, the largest Middle East market for the UK, fell in line with the uneven delivery of Tornado aircraft, and Egypt, Turkey and the two Yemens also reduced imports from Britain.

Comat officials hava expressed concern that neither government, nor business in Britain pays enough attention to the Middle East. They point out that the region contributed a surglus of \$2.9bn to British. Exports to Saudi Arabia, the

"Although UK exports to the region continue to register a small annual drop from the peak figure reached in 1983, it remains one of our major market areas." Comet said.

Shanning International, the medical equipment packaging company, has won a £23m contract to supply, install and commission a hospital complex in the fract capital Baghdad.

The Export Credits Guarantee Department is supporting a £16m loan from Midland Bank for the project, and the balance is being funded in mixed currencies under an agreement rencies under an agreement between Rafidain Bank of Iraq

and Shaming International.

defence experts, IPTN's 70-acre

sits in the volcanic hills out-side Bandung is one of the

UK 1988 Exports to the Middle East Value Dm % Ching

Norwegian ship

H 131

register scores notable success By Karen Focali in Oslo

NORWAY's International Ship NORWAY'S International Ship Register (NIS) has scaled new halghts since its formation nearly two years ago, far sur-passing the expectations of its founders and critics alike.

The latest figures show a

The latest lightes show a near doubling of NIS-registered vessels, to 486 from July, 1988 when the number of ships registered under NIS was 251.

NIS was established to stop the flood of Norwegian ships to

side Bandung is one of the world's best-equipped airframe manufacturing complexes.

IFIN currently has 14,000 staff making it the second largest company after Pertamina, the oil monopoly. The payroli includes more than 1,000 engineering graduates. Half the workforce are backelors. The average age is only 28.

However, the company has only sold around 200 aircraft both fixed and rotary wing, mostly to the government. As for export orders, Thailand bought five CN 212s, the plane built with Case, for chuid seeding. Saudi. Arabia purchased four CN 235s, another collaboration with Case, which is seen the flood of Norwegian ships to flags of convenience or "open" registers such as Liberia and Penama by offering broadly smilar savings on crew costs.

NIS has also belied to prevent Norwegian tonnage from being seriously reduced and is credited with restoring growth within the Norwegian shipping industry which suffered tre-

industry which suffered tremensury which suffered tre-mendously during the shipping crisis in the 1970s. Of tha 486 MIS-registered ships, 54-had originally sought other registers but turned to

ration with Case, which is seen as n possible competitor for the Italian ATR 42 as a short hop commuter plane. Botswana look two 235s, again for agri-NIS after its establishment.
About 330 NIS ships come from abroad. Twelve are newhuildings from foreign ship-yards; 106 are Norwegian-owned hut earlier registered out of Norway, while 212 repre-sent second-hand tonnage pur-

chased abroad.

Norway currently owns about 6 per cent of the world fleet up from 4 per cent less than two years ago. By contrast, there are 406 Norwegian owned ships flying 33 different foreign flags.

Indonesian air industry takes off

John Murray Brown on jumping hurdles to home-grown technology

T THE headquarters of in answer to the critics.
PT Nusantara (IPTN).
A seven-man research the company at the leading edge of Indonesia's state-run aerospace industry, engineers sit at brand new US-made IBM computers. The soft-ware they use is a programme ware they use is a programms
specially written hy Dassault,
the French aircraft maker. The
design on the screen, however,
is totally Indonesian.
Today, at a time when the

company faces growing public and government pressure to show a profit or at least a nominal return on its huge state investment, technicians at IPTN are dreaming up the design of the country's first homegrown aircraft.

A "head in the clouds" idea

is how one of the growing number of critics of IPTN describes this latest project at a time when even the world's best known aerospace firms are setting their sights on joint

Of greater concern, however, is the economic cost of yet another venture which will absorb further state subsidies at a time when a fall in oil revenues has put Indonesia's budget under increased strain. "You cannot just count the

aircraft manufactured, you also have to look at the skills acquired and the workforce we've developed," says Air Vica Marshal Suwondo, Director of General Affairs at IPTN,

A seven-man research team is developing the N250 the propfan 50 seater, which IPTN hopes to unveil at the 1996 Jakarta airshow, an Indonesian prototype to replace the Fok-ker 28 and 27 and compete with the Italian ATR-42.

IPTN is no stranger to controversy. Late last year in an apparent bid to counter growing criticism of the company within the cabinet, President Subarto publicly declared that IPTN was not a "prestige project." Like so many of the country's more ambitious schemes Indonesia's aerospace industry was the brainchild of Professor Jusuf Habibie a former director of Messerschmitt Bolkow Blohm (MBB) who in 1974 returned to Jakarta as President Suharto'a Minister for Research and Technology.

The President's support for Professor Habible has been vital. No Indonesian state company has received greater pro-tection than IPTN. Apart from its substantial budget subsidy, which was increased by 44 per cent for 1989-90, the company enjoys special import rights on raw materials such as alumin-

ium and plastics.

Domestic carriers are obliged to buy from IPTN, and even military and government pro-curement is now increasingly linked to counterpurchase and offset agreements with IPTN.

Since it was set up in 1976. IPTN has fostered relations. with Case of Spain, MBB, Aerospatiale of France, Fokker, Boeing and most recently General Dynamics on a range of collaborativa ventures from simple maintenance agreements to airframe manufac

You cannot just look at aircraft manufactured, but at the workforce we have developed.'

Indonesia is viewed as a huge aviation market even if the fall in oil prices has proved something of a setback to cor-rent spending plans. Defence sales offer further opportuni-ties – the latest example being the purchase of the F – 16 from

General Dynamics of the US.
The visit to IPTN at the end.
of March of Mr George
Younger, the UK Defence Secretary, has raised the tales
pitch of UK firms in both military and civilian sectors. British Aerospace is negotiating to collaborate on the Hawk 200, while the Tornado is offered by n joint UK—German—Italian

collaboration.
According to some western

those sort of terms.

IPTN is looking at offset deals and component supply contracts. Beeing and Fokker have each signed component deals worth a total of \$75m (£4m). The \$337m F-16 contract contains 35 per cent of the cost in local offset.

If British Aerospase want to succeed with the Hawk they will have to match or better those sort of terms.

cultural use.
With rotary wing orders now also depressed due to the slow down in domestic oil activity.

IPTN is looking at offset deals

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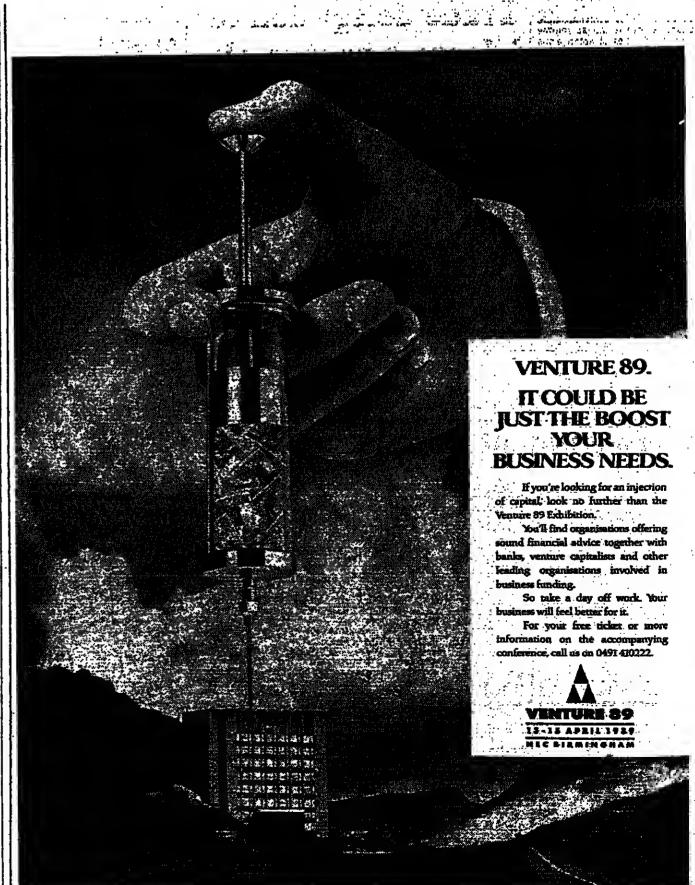
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UK NEWS - THE GORBACHEV VISIT

Tourists given a misty view of the London sights

PRESIDENT Gorbachav scattered security men yesterday when he leapt from his car to meet members of the public who had been waiting in the rain to see him. He and Mrs Raisa Gorbachev had just left Westminster Abbey, where they had laid a wreath of poppies on the tomb of the unknown soldier.

After the ceremony, Mr Gorbachev told a Soviet reporter, and his words were translated for Mrs Thatcher. "This has been a very significant event been. from his car to meet members of the

t share

Yorwegian &

Chester Scoth

has been a very significant event here.
It reminds all of us of our common

sign the Abbey's new distinguished visi-tors' book and he was handed a copy of a comprehensive history and gaide to

Mrs Gorbachev was given two tapes

responsibility."

The Soviet premier was the first to

of the choir singing music for Royal Havana."

Coccasions and carols, as well as a commemorative dish.

Later, disappointed officials at Tower Bridge were left standing when Mrs Gorbachev falled to set foot inside the landmark. She was due to make her way to the top of the Victorian bridge in see the views own I codes but to see the views over London, but as she was running 35 minntes behind schedule the visit was cut short. Mrs Gorbachev arrived from her tour

of St Paul's in a 10-car cavalcade. She was greeted at Tower Bridge by the Lady Mayoress of London, Lady (Anne) Collett, before being chown mist-shrouded views along the Thames.

When asked how she felt about the weather, she said through her interpreter: "It is very fresh after leaving

She was asked why she had chosen to see Tower Bridge during her whis-tle-stop tourist trip and replied that she wanted to see the panoramas of London. However, the low clond and drizzle meant views were poor.

Sha added: "I am glad to come and

see this great and beautiful city again, where history is in close touch with the

Mrs Gorbachev was asked about a possible visit by the Queen to the Soviet Union. She said: "It is not my responsibility. That is up to the General

Waiting for her inside Tower Bridge had been assistant bridge master Mr Keith Bywater, together with Sir Chris-topher Leaver, chairman of the London Mitchell, chairman of the Corporation Planning Committee.
When he discovered Mrs Gorbachev

would not be paying a visit, Mr Bywa-ter said: "Of course I think everyone is disappointed under the circumstances." Mrs Gorbachev later delivered a message of peace to pupils of Prior Weston primary school, in London's Barbican, during her visit to the Museum of Lon-

don.
After receiving a bouquet of red car-nations from eight-year-old Benjamin Robinson, the former teacher said: "Let the flowers grow everywhere. Mrs Gorbachev appealed to the class to pass on the peace message to their

fathers, mothers, grandfathers and



Pointing the way: Mrs Thatcher and Mr Gorbachev with an interpreter

Howe says sale of bombers 'disquieting'

By Robert Mauthner, Diplomatic Correspondent

MR EDUARD Shevardnadze. the Soviet Foreign Minister, yesterday countered British expressions of concern at USinspired reports that the Soviet Union had sold up to 15 super-sonic Su-24D jets to Libya by pointing to the large quantities of western arms sales to the

Middle East. Sir Geoffrey Howe, the Foreign Secretary, had expressed the British Government's concern over the reports in talks with Mr Shevardnadze on the sidelines of the meeting between Mr Mikhail Gorba chev, the Soviet leader, and Mrs Margaret Thatcher, the Prime Minister. British officials said there had been "a fairly sharp exchange" on the subject.

The reports were neither confirmed nor denied by Mr. Shevardnadze, but Mr Gennady Gerasimov, the Soviet Foreign Ministry spokesman, later suggested that there was "something suspicious" about the timing of their publication in the US press, particularly since the sales had been public knowledge for some weeks. Somebody on the other side of the Atlantic perhaps wanted to throw a spanner into the works of the Gorhachev-Thatcher meeting in London; the Soviet spokesman said.

Sir Geoffrey said the sales of the bombers, with a long enough range to reach Israel, were particularly disquieting because of the unpredictable character of the Libyan regime tion to Soviet calls for a halt to arms supplies to Central Amer-

ica and other areas. While Mr Shevardnadze recognised that the arms build-up in the Middle East was a matter for serious concern: he emphasised that. Britain was contributing to the dangerous situation. He specifically mentioned the recent huge British arms deals with Saudi Arabia for the supply of aircraft, airbases and weapons systems, estimated to be worth £150n to £200n (\$250n to

The two ministers also clashed over chemical weapons, which both countries, in principle, want to see banned. Sir Geoffrey questioned Soviet claims that the total Soviet. stock of chemical weapons was no more than 50,000 tonnes. According to British estimates, Soviet stocke of chemical veapons are six times greater than the official figure and the Foreign Secretary said he found the Soviet position

IT WAS the day Mr Gennady Gerasimov, the urbane and articulate Soviet epokesman.

was lost for words. There he was, before the world's media,

hot-foot from a first-hand brief-ing by Mr Mikhail Gorbachev on his Downing Street talks, and his excellent English falled him. But only in superlatives.

First, he allowed himself to

be brow-beaten - by a French correspondent, it must be said

- into delivering his news in. English, not Russian.

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Out in the cold: the Gorbachev drivers take a break:

Industry 'must seize Glasnost'

THE BRITISH are putting a brave face on it. As Mrs Margaret Thatcher signed a new investment protocol yesterday with Mr Mikhail Gorbachev. the message to British industry was that it should now seek to grasp the opportunities that Glasnost offers for western

Some companies hava already taken advantage of those openings. Alongside the new investment Protection and Promotion agreement signed by the two leaders, several companies put the final seal on

recently-completed deals.

British officials were also keen to point out that, even before yesterday's Protocol, some 19 UK businesses had already signed up for joint ven-tures in the Soviet Union and another 40 were actively considering similar deals.

They hope that the British trade fair which Mr Cecil Parkinson, the Energy Secretary. will open in Moscow next week will provide a further boost to hoth joint ventures and

The new agreement should help. Similar to those signed with some 40 other countries, it provides a legal framework for investment deals between companies in the two coun-

It includes, for example, s prohibition on expropriation of ssets, the right of unrestricted transfer of capital, and provi-sion for international arbitration in the event of disputes. Yaeterday's exhorizations from Lord Young, the Tradeand Industry Secretary, did little to disguise the disappointment on both sides at the sluggish pace of expansion of both trade and investment projects. In theory, two-way trade is on track to achieve the target set in 1987 of a 40 per cent increase to Rs2.5bn (£2.3bn) by 1990. The present volume is said by the Soviet side to be around Rs2.2bn.

But the figures actually overpartners. state the real trade exchange between the two countries. because come 40 per cent of Soviet exports consist of diamoods and precious metals, most of which are simply being sold in London and re-exported.

Even the overall figure com-pares unfavourably with virtu-ally every other European country and, significantly for the British side, masks a much faster increase in Soviet exports to the UK than the

The latest British statistics not strictly comparable with the Soviet ones - suggest that in the 11 months to November 1988 the value of British exports to the USSR fell by 1 per cent from the same period a year earlier to £455m.

Britain's sales - concentrated in such areas as control instruments, specialised machinery, chemicals and cereals. - also leave it well down the league table of western exporters to the Soviet Union. in 1987 its share of overall western exports was only 3.9 per cent - inevitably well helind the 21.2 per cent claimed by West Germany but also significantly lagging tha

10.7 per cent held by Italy and the 8.5 per cent by France. Soviet officials also believe that British exporters have been particularly slow to respond to the reform of Soviet trade and investment legisla-tion, intended to promote joint ventures and allow the full range of Soviet enterprises to find their own foreign trading

"The level of co-operation is too low, and it does not match the level of opportunitles tween the two countries," Mr Nikolai Shishlin, a senior offi-cial at the Communist Party central committee, said on the eve of the Thatcher-Gorbachev

As for the creation of joint ventures, Britisb companies have been more sceptical than many others in Western Europe in reaching agreements, although a sudden rush of signings since the New Year has pushed up the total number to around 20.

The British Department of Trade, which has produced a new briefing pack on Soviet prospects, also alludes to the "short-termism" which appears to afflict British companies. The paper identifies clear opportunities for increased exports in sectors such as food processing, consumer products manufacturing equipment and general light industry hut adds: "British companies must be prepared to participate in major capital investment projects, which requires a patient long-term approach to the mar-

Soviet officials admit that

the fault for the slow progress lies on both sides. They blame lack of British competitiveness: In many cases, British firms have not been able to stand up to firms from West Germany, Italy, Japan, and other countries in tough competition for Soviet contracts," according to the analysis of the semi-official

Novosti news agency.
On the other hand, the same paper highlights three factors in the Soviet market inhibiting British companies:

 Unwillingness to bear the responsibility for exporting jointly produced goods into satwestern markets in order to earn foreign exchange for profit-remittance

Lack of belief in the possi-

bility of achieving high prod-nct quality by joint ventures in the absence of massive invest-• The "opaque status of Soviet entities as partners in joint ventures" because of the

lack of financial data on their Officials also blame the Cocom rules, and their particularly strict application in

Britain, for the prevention of more high technology and sensitive exports. Soviet officials have pin-pointed a series of areas they believe could be developed in trying to promote bilateral trade. They include areas like processing of uranium, co-operation on space technology, and the promotion of greater tran-

Whether British companies will take up the challenge is not yet clear.

sit traffic.

Agreement on building of school in Armenia

By David Thomas. **Education Correspondent**

THE BRITISH Government, with the help of Aid Armenia and a group of British compa-nies, is to build and equip a new school in Armenia, replacing one lost in last December's

earthquake.
The sgreement on the school was signed yesterday at 10 Downing Street hy Sir Geoffrey Howe, the Foreign Secretary, and Mr Eduard Spevardnadze. Soviet Minister of Foreign

Affairs. The school in Leninakan will be designed by the Department of Education and Science with team of consultants and will be built by contractors Mow-lem International. It will cater for 400 pupils and will open for the 1990-91 school year. The Armenlan authorities

have undertaken to clear the site, lay the foundations and floor slab, complete external work and provide the services. British Petroleum, British Steel, Cable and Wireless, Coloroll, General Electric Company, Imperial Chemical Indus-tries, P&O and Rolls Royce have joined Aid Armenia in

contributing to the school. Mr Kenneth Baker, Educa-tion Secretary, sald: "The school will further strengthen the links we are establishing through teacher and pupil exchanges following my visit to the USSR last Autumn."

Trade delegation to and its supplies of small arms and explosives, to the RAS OSCOW NEXT WEEK.

MR CECIL Parkinson, the Energy Secretary, is leading a delegation of high-powered British husinessmen to the Soviet Union next week as part of a trade promotion effort.

The trip is part of British-So-viet Trade Month. Among other activities the promotion will give Soviet television viewers a chance to watch Thames Television for five nights from April 10 by means of a direct link to the Soviet Union's Gostelradio. The potential audience is 200m.

British energy companies are believed to have significant potential to expend sales into the Soviet Union. The event marks the first large trade fair of its type in nearly 25 years and is timed to mark the sec-

ond anniversary of the opening of the Moscow office of tha British-Soviet Chamber of

prominent UK engineering companies in the energy field, including, Lord King, chairman of British Airways and FKI Babcock, Lord Jellicoe, chairman of Davy Corporation, Mr Allan Gormley, managing director of John Brown, Mr director of John Brown, Mr
Peter Harvey, regional director
for Eastern Europe of the General Electric Company, Mr
John Kenny, director of J P
Kenny, Mr John Ferrie, director of Rolls-Royce, and Mr
David Linkley, director of Tayhir Woodrow Management

lor Woodrow Management and Also in the delegation are Mr Basil Butler, a managing direc-tor of British Petroleum, and Mr Brian: Eyre, of the UK Atomic Energy Authority.

Many of the companies in the delegation have active

d the British-Soviet Chamber of trading relations with the d he Commerce. Soviet Union British Petrolition Included in the delegation leum will examine possibilities are senior executives from for opening a Moscow office.

Gerasimov at a loss for words Setting the seal on the link, Parkfield yesterday signed an agreement with Technical &

Mr Chris Davies, a Parkfield director, said "a major High Street retailer" had been so

were destined for export to Spain and Australia, he said, but the rest of the factory's output of 300,000 washers a year would be sold inside the Soviet Union.

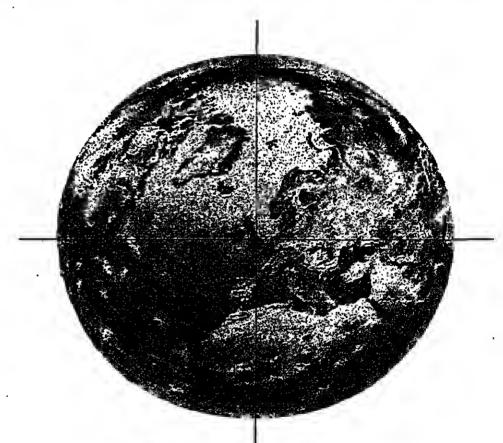
Priced at around \$250, the appliances were described as "highly sophisticated," and Mr Davies claimed they had more features—than a Philips machine selling at \$350.

He stressed that the Vjatka

the production of the Snocap refrigerator, believed to be the only other Soviet appliance currently sold in the UK. Selling at less than £100, the Snocap sells at the bottom end of the market shunned by European manufacturers.

Mr Davies added that arrangements were being made machines.

The rejection rate in the Soviet Union had been "very low," he added.



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FINANCIAL TIMES

THE AUTOMATIC **IDENTIFICATION**

"The negotiations which "The negotiations which have just ended were very important and the atmosphere was extremely friendly," he declared. "We have a high regard for Britain, its role in Europe and the world. Our political dialogue is now on a higher level than it used to be. "The talks were extremely. "And that is where the heckling started: "constructive," one called; "useful" came a lame effort from the back.

"Gennady Ivanovich threw up

from the back.

Gennady Ivanovich threw up his hands: "There are so many eynonyms. Any positiva adjective that you use, you can apply to the talks, to the personal relationship between the leaders, to the substance. You will have to say I am at a loss for words."

words. tongue he showed considerable againty, as well as a remarkable. command of bons mots. It was a lesson to the foreign correspondents in Moscow-

whomhe is always unting to:

"The more distinguished
learn better Russian.

foreign visitors come to

He dodged and weaved the Moscow, the better it is for
journalistic missiles on Soviet our image," he admitted with sales of hombers to Libya. declaring that "the tinting of this so called news is very

fears were aimed at the Bush Administration, which seemed to he taking such an unconscionably long time

sorting out its foreign policy review "We don't want this pause to become an interval," he declared. He admitted there had been

little narrowing of the gap between the two leaders, for all their warm relations, on disarmament, and, above all, on the modernisation of short-range nuclear missiles. He said: Modernisation is a misnomer, pure and simple. It's not-modernisation at all. It's the creation of a new

It's the creation of a new nitclear system."

They tried the KGB on him. Had Mrs Thatcher raised her fears about the activities of the Soviet security service in Lenden, as the British press reported? "The preas is misrepresenting her mood."

What of that aven more sensitive question. Mr Gorba-

sensitive question, Mr Gorba-chev's rumoured invitation to the Queen to visit Moscow? The subject was not raised today," he wriggled. But would it help perestroiks if she came? "The more distinguished

our image," he admitted with disarming honesty. So if Mr Gorbachev had not mentioned it to Mrs Thatcher, suspicious. But that was only twas that a deliberate way to the start.

His most substantial before the invitation was formally put to the Queen today? · "We are not that smart," came the swift reply. Some-times, one has to wonder.

Russia to export washing machines By Christopher Parkes.

Consumer Industries Editor

MAY DAY, 1990, will see the introduction to Britain of some of perestroika's earliest fruits. Fresh in from the Vjatka works in Kirov, the first of a 25,000-strong consignment of Russian washing machines will go on sale in the High Street. Beautified by Pentagram, the classy UK design house, and engineered by a team including ex-employees of Hotpoint, Britain's leading appliance maker, they will be built with technical assistance from Italy's Merloni Elettrodomes-tici, maker of Ariston and Indesit appliances.

The imports result from a year-old joint venture between Parkfield Group, the auto components, foundries and video company, and Technical & Optical Equipment, the Soviet Union's consumer goods dis-tributor in Britain.

Optical for the future develop-ment and distribution of other consumer products. The British company said trade han-dled by the joint venture could be worth up to 175m a year within three years.

impressed by the machine that it had agreed to take the whole of the first year's shipments. A further 25,000 machines

Priced at around \$280, the

factory was not responsible for

with the retailer's service agents to attend to hreakdowns and other problems. But he expected few bugs in the

which provides a substantial share of its total profits, could only be operated as a joint venture with GEC, disposes of

the claim that Plessey can best go it alone, and centradicts its expressed view that joint ven-

tures are an inherently impracticable way of organis-ing large undertakings. Joint

ventures may be, as this one was, the only way of developing the business, and the existence of GPT is an answer to that part of Pleasey's case.

But in fact GPT at it stands is not the right answer either for 1992 or for the long view.

It is an excellent company with excellent technology, but

it does not enjoy a wide enough market spread around the world. Nor does it, alone,

the world. Nor does It, alone, have a large enough turnover economically to sustain the development of the even more advanced systems which will be required by the year 2000.

Without a successor to System X, GPT has a limited life

see a main competitor in public telephone exchanges. What is to follow System X and how it is to be paid for, are the criti-cal questions for GPT, and for GEC's and Pleaser's telecom-

most successful in what product, or even in what area.

Systems development is a highly skilled science, but the results it schieves are usually more prodictable than in basic scientific research. A good team can probably produce a good system if they are given the resources, but they are obviously unlikely to provide a fundamental breakthrough.

Our estimates are that the

Our estimates are that the

R&D cost of a successor to Sys-tem X will be not less than 31hm (2588m), and perhaps up

to \$10n over the next ten

years. The capacity to spend on

R&D in this game is brighty determined by turnever, and turnover is determined by markets. GPT alone does not

already becoming apparent.

At the root of these changes, driven by the accelerating pace of technological advances and increasing international comincrease in research and development expenditure which is required to develop a new gen-eration of electronic systems, together with a growing need for substantial investment in new manufacturing technologies and equipment. To amor-tise these costs, increasingly larger production and sales

volumes are required.

These fundamental changes have already led to the emergence of a small number of large global competitors with strong home bases in one or other of the three "Triad" markets: North America, Japan and Europe. Large global mar-ket shares offer substantial strategic advantages. To secure them, even the most established multinational companies have recognised the need to join forces through mergers or joint ventures if they are to remain world players. Ohviously there are compa-

nies operating in sectors of the industry with different competitive forces, which favour small, flexible competitors over larger ones. However, the vast majority of Plessey's husinesses are exposed to the global trends outlined abova and will require scale to stay

Let us look in more detail at the strategic advantages of our proposals to all three of our companies, taking telecommnnications and semiconductors as the main examples.

 Telecommunications. The capabilities of telecommunications networks are growing at an astonishing pace, as service providers recognise the vital importance of state-of-the-art technology. To survive in the business it is necessary to meet these demands at a competitive price - or someone

else will. Huge resources are necessary to davelop these new systems. Whereas the development of a traditional electromechanical public switch cost about \$100m, the development cost of one of the digital switches in current use is about \$1hn. Future systems are expected to cost up to \$2bn. Innovation in this field has become extremely expensive. Few companies have a large enough volume to pay for such The chief executives of Britain's GEC and West Germany's Siemens reply to the comments by Sir John Clark, chairman of Plessey, in the FT of March 30 1989:

The importance of critical mass

development costs. The North American market, which repre-sents roughly 35 per cent of the world market, is basically served by only two suppliers, whereas eight digital systems were developed in the smaller European market. For the next genaration, probably only the top half dozen companies in the world will have sufficient volume and access to world markets to be independently

As a result, competitors are joining forces to stay in this global race. A co-operation between GEC Plessey Telecom-munications (GPT) and Siemens would benefit both par-ties. A joint development of the next generation of switches will reduce costs for hoth. bined, we will have access to a larger number of experi-enced engineers - our scarcest resource. Both companies are European and Siemens, which is already selling public telecommunications systems in 85 countries, is providing a strong sales base as one of the largest players worldwide. Semiconductors. Integrated

circuits (ICs) are the building blocks for all electronic systems. The rapid functional advances in ICs directly determine advances in system performance and cost. Early access to state-of-the-art semiconductors is therefore critical for systems manufacturer

Today the IC market is dominated by large, vertically-integrated Japanese companies. They control about 90 per cent of the supply of memory chips (D-Rams) compared to Euro-pean producers 3 per cent and they regard the IC husiness both as a cash generator and a strategic weapon of control over chip technology.

This increasingly places them in the driving seat in penetrating markets for value-added products incorporat-ing ICs. The days when they were prepared just to sell their technology are past. These ver-tically-integrated companies have access to leading-edge ICs before those components are made available on the open market. European systems pro-ducers would be severely disadvantaged in the absence of equivalent powerful European IC suppliers.



In order to stay competitive long term in microelectronics it is vital to have critical mass. Rising R&D costs and steep learning curves favour larger competitors. As a result, large companies have a steadily increasing share of the world market. The recent co-operation between Hitachi and Texas Instruments shows that even larger producers are looking for ways to share the ever-rising costs.

Some smaller producers of applications specific ICs (Asics) have been able to stay competitive until now because in the past their larger Japanese and US competitors have chosen to focus on standard products. This is now changing and those same large companies are rapidly gaining market share in the Asic field. Their smaller competitors will be forced to spend ever larger sums on R&D and capital investment just to keep up and that will require substantial resources and a larger sales

Systems producers which do not have close ties with lead-ing-edge semiconductor manu-facturers are at a significant disadvantage. Siemens is one



of the few companies in the world to have leading edge pro-cesses. Co-operation between Siemens and Plessey would give the systems husinesses of hoth companies access to a broader spectrum of ICs and the operations themselves would inevitably be more

All three parties will benefit. We have already estab-lished that the markets in which we are operating are undergoing fundamental change and the old formulae for success are no longer valid. These changes pose both threats and opportunities. Future co-operation between GEC, Plessey and Siemens anticipates those changes and offers the best opportunity for all three companies to emerge as stronger competitors. Both GEC and Stemens have had successful experiences with similar co-operations - our common Osram joint venture being just one example. We are therefore convinced that all three parties will benefit greatly through co-operation on a European scale.

Karlheinz Kaske



he development plan-ning of GEC operates in three time frames. There is always a current need to solve immediate problems and to keep the business at the highest possible level of competitive effective-ness. In the short term, the rapid response to challenges and opportunities, predictable or unpredictable, is an essential of good manages The second time frame is

symbolised by the year 1992, and the changes that are coming with a single European market. GEC's hig negotia-tions of the past six months, with CGE Alsthom, Siemens and GE, have all been directed to ensuring that GRC, and Britain, are effective forces in European and world markets, able to compete with the larger industrial enterprises of Japan and the US. .

The third time frame covers the period of the last years of the 20th century, from, say, 1995 onwards. By that time many existing technologies will have become obsolete. Even during the 1980s the loss of profit from the disappearance of declining electronic technologies has been a central feature of our markets. All electronic businesses have suffered from them, many more seriously than GEC.
When a technology has a

limited life span, there are three ways of responding. One can sell it, and get out of that area of business altogether. One can mine it for what it is worth while it survives. Or one can plan to replace it with its successor technology. The first course is sometimes cur-rect. The third course is the ideal one, provided it is realis-tic and action is taken in time. The second course is always the most dangerous, since it relies on profits which are not maintainable. The GEC-Siemens hid for

Plessey is concerned with the medium- and long-term fature of the husinesses concerned, and quite largely with the future of telecommunications. GEC and Pleasey are already engaged in a joint venture telecommunications company, GPT, which amongst other things manufactures System X, a state of the art electronic telecommunications switching

Pleasey's recognition that its teleconsumications business,

now have the markets or turnnow have the markets or turn-over to justify the spend neces-sary to develop the successor to System X. GPT and Siemens together do, although even GPT and Siement, operating a foint systems development programme, will be smaller than the larger sepances and American telecommunications

The GEC/Siemens deal does therefore move towards an adequate British response to the opportunities of the Euro-pean market in 1992. More importantly the agreement to work together on the next stage of electronic communications systems means that GPT and therefore a large part of the British telecommunications manufacturing industry

has a good prospect of life beyond the year 2000. The alternative is merely to mine present day plant and technology for short-term profits. A substantial part of the British industry will then be dead, apart from relatively minor

product areas. These considerations apply not only to telecommunica-tions, but to other areas involving sophisticated tech-nology, perhaps particularly electronic communication

lectronic components.
No one thinks that large size answers all problems; there are disconomics as well as economics of scale. GEC operates as a devolved man ment company because we are conscious of that.

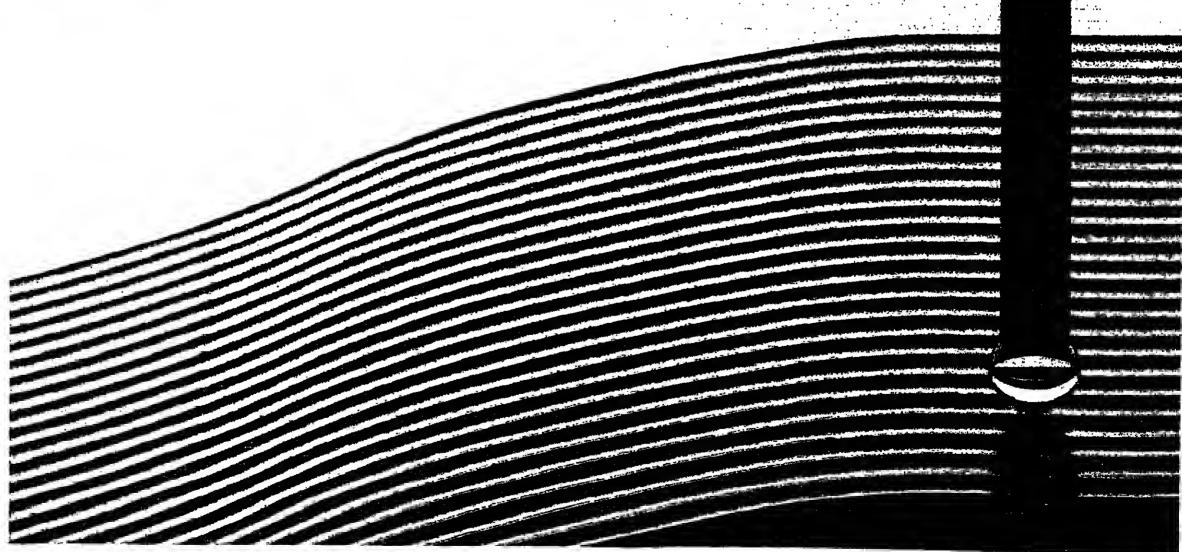
But one must contrast the British and the world perception. The British view has been that GEC is too big. The world perception is that GEC is not big enough. In advanced technology, the logic runs: GRC's and Pleasey's telecom-immications policy.

No one at this stage can be sure what technological devel-opments will occur in the next two decades; indeed they are already happening at an explo-sive rate. All sorts of institu-tions will be seeking to advance the electronics tech-nologies involved, and we kim-ply do not know who will be most successful in what prod-uct, or even in what area. markets, inrnover, operating profit, research and develop-ment, future products. Speci-alisation is a part of that pro-cess, but the minimum scale for effective survival is always rising. A niche can easily become a tomb.

In GEC we are determined to see that Britain has an effective and profitable electrical and electronics engineerindustry in the next cen-tury. We cannot expect alone to be able to participate in every market for electronics products, and we therefore seek strong partners, particilarly in Europe. But we have to make wife, in each relevant technology, that the logic points to effective industrial development in the Europe of 1992 and beyond. It will be a bad job if British industry

Arnold Weinstock

NEW SHARES FOR NEW TASKS.



It was 1986.

Within 19 years our turnover had increased from DM 60 million to DM 340 million. Our newly acquired size and responsibilities demanded a new hasis for our activities. So we became a public company.

This enabled us to continue what has made us nne of the

industry's leaders: To invest. In state-of-the-art machinery

and CAD/CAM products. In a larger customer support network, in Germany and abroad.

For example, in four new sales and demonstration centres, which has helped our domestic market share to grow to 43 per cent. In new technologies such as turning which we initiated with MAHO GRAZIANO SPA

The turnover of the MAHO Group subsequently increased to DM 402 million during the last financial year. And again, to DM 230 million in the first half of the current financial year, while simultaneously we doubling our orders on hand.

To keep things growing, we are going to expand on the Stock Exchange.

As of April 6, 1989, we will

be offering our stockholders 120,000 new MAHO shares at a price of DM 250, entitled to a full dividend in the present financial year ending on June 30, 1989.

We are increasing our capital to give us greater scope. To fully utilise all opportunities for . growth arising form today's stable economy and tomorrow's single European Market.

By means of new investments. In new ideas. For the new tasks that have grown with us.

MAHO Aktiengesellschaft

Lord Chancellor unveils shake-up of civil justice

LORD MACKAY, - the Lord tried in the High Court, chancellor, yesterday announced a radical five-year plan to speed up, simplify and cut the cost of civil justice in England and Wales.

The phased plan, which is

the Government's response to the Civil Justice Review Body's report published last June, will result in the most far reaching changes in the civil courts and the administration of justice

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this century.
It will involve a major redistribution of civil cases between the High Court and County Courts, with the High Court being largely reserved for judicial reviews and other cases either of a specialist nature or of unusual substance, impor-

tance or difficulty.

Lord Mackay said yesterday: The planned changes are part of the Government's overall strategy for securing a better; service to the public from lawyers and the courts."
He also said that the propos-

als in his controversial discussion documents (Green Papers) on the legal profession would constitute another part of the

strategy.
The Green Papers are to be debated in the House of Lords today. The proposals include the introduction of new qualifications for advocacy in the higher courts, where the right of andience has hitherto been

reserved to barristers.

Personal injury cases involving relatively small damages

an area where, at the moment delays and costs can be disproportionate to the amount claimed - will be the first to benefit from the plan. They account for a large proportion of cases at present

programme launched by Inmos

> By Terry Dodsworth, Industrial Editor

INMOS, the UK semiconductor company recently acquired by the pan-European SGS-Thom-son group, is launching an ambitious expansion plan within days of the final signing The Government has not yet decided on the financial critedecided on the mancial crite-rion for allocating cases between the courts. The review body suggested that cases involving more than £50,000 should be tried in the High Court and those involving £25,000 or less in the County Courts, with cases falling between those two levels able to be sent to either court

within days of the tinal signing of the takeover deal.

The programme will involve the recruitment of 100 electronics design and engineering specialists over the next few months. Over the longer term it will mean tovestment to new facilities to upgrade the company's chip manufacturing lines at Newport in Sonth

Detailing the expansion plans in London yesterday, Mr Pasquale Pistorio, chief executive of SGS-Thomson, said thet the future of the Newport site

"The SGS-Thomson group will bring the necessary financial resources and marketing presence to guarantee Inmos a position in the worldwide market," he said.

"Finance will not be the limiting factor in the company's future."

legal practice, warned that unless significant additional resources were allocated to the county courts, existing delays and inefficiencies were likely to worsen as a result of the additional work.

"The Government's move must not be an excuse for yet another cost-cutting measure in the legal system," Mr Lockley said. inmos, founded with the help of UK Government funds in 1978, has had a troubled finan-cial history despite its pioneer-ing development of the tran-sputer, a revolutionary type of microprocessor.

The company was acquired five years ago by the Thorn EMI group, and has recently moved into profit after extensive rationalisation.

Thorn is maintaining an business through a 10 per cent stake in SGS-Thomson. Its future commitment, however, is limited by an agreement which allows it to opt out of further capital contributions under certain circumstances.

Mr Pistorio said yesterday that although the group intended to fund its expansion largely through its internally-generated cash, it would be calling on its shareholders for further finance from time to time. It has recently received a \$100m capital injection from its original parents, the Thomson-CSF group in France and IRI Finmeccanica in Italy.

He emphasised that the future of Inmos would be reinforced by the rapid launch of new products. Inmos, he added, would maintain a sepa-rate identity within the larger group, manufacturing and developing its own products. But the sales operations of the two organisations would be integrated to achieve economies and give the UK company

Bank still uncertain about Abolition of dock high interest rate policy

slowing to domestic demand is itself slightly precarious".

tha trade deficit would also

hecome smaller as softer

demand led to lower imports.

Mr Flemming said the Bank's forecast for the UK cur-

rent account deficit in 1989 was

UN document row rekindled

Commons library.

place them there.

tion with the UN-supervised

transition to Namibian inde-

ments were "public know-ledge" and available in the

On Wednesday, Mr John Wakeham, the Leader of the

House, apologised to the Com-

mons, stating that Mrs Thatcher had been mistaken in

her assertion that the docu-

ments were in the library, but

that steps were being taken to

Yesterday, Mr George Rob-ertson (Labour) protested that

She had told MPs the docu-

Mr Leigh-Pemberton indi-

By Simon Holberton, Economics Staff

THE BANK of England is still not convinced that the British economy has responded to high interest rates and begun to slow down, Mr Robin Leigh-Pemberton, the Bank's Gover-nor, said yesterday.

He told the House of Commons Treasury Committee that in spite of a slowing in the growth of M0, a measure of money supply consisting mostly of notes and coins, "the jury was still out" on whether current monetary policy was

Mr Leigh-Pemberton said the effects of the tightening in monetary policy were being felt unevenly throughout the UK. House price rises had slowed in the sonth-east of England but they were still ris-ing in the north and Scotland. The Governor's view was supported by Mr John Flemming, an executive director of

the Bank and its chief econo-

mist, who told the all-party

THE ROW over a United Nations document used on Tuasday by Mrs Margaret Thatcher, the Prime Minister, to support an attack on Swapo,

the Namibian nationalist gue-

rilla movement, continued in the House of Commons yester-

day.
She had cited a report from
Mr Javier Perez de Cuellar, the
General, to the

UN Secretary General, to the UN Security Council, among documents justifying laying the blame on Swapo for the

recent clashes with South Afri-can forces. South Africa has

threatened to call off co-opera-

By Tom Lynch

Committee: "The evidence of a productivity.

catad, however, that he thought the current policy would work. The Bank expec-However, the Governor said that the level of the exchange ted growth of domestic demand rate was not the object of polto moderate, as forecast in the The savings ratio in the UK would improve as a conse-quence of lower borrowing and

"We are not running primar-ily an exchange rate policy but one based on a monetary policy necessary for the present domestic conjuncture. If the pound is strong, so much the better," he said.

sified as confidential

dential for the time being".

protests when be accused Mr Robertson of abusing points of

order to raise the matter on

Wednesday, a charge he with-drew when it was ruled that

Mr Robertson had not been out

closer to the Treasury's £14.5bn forecast than the International Monetary Fund's estimate of Leigh-Pemharton endorsed the use of a strong pound to bear down on inflation. He said a strong currency would make it difficult for industry to raise prices in

order to make pay awards. He was not critical of companies paying their employees more if there had been strong gains in

icy hut a consequence of it. In so doing he underlined the essentially pragmatic nature of UK monetary policy. Dock Labour Scheme.
The scheme regulatas employment conditions at 40

The Governor said thet each of the major industrialised countries in the Group of Seven shared a concern about resurgent inflation and had acted to choke it off. Taking the G7 as a whole, he thought the recent rises in G7 interest rates would probably be suffi-cient to restrain inflation.

the report was not in the

library, and would not be put there because it had been clas-Mr Wakeham said other relevant documents bad been placed in the library, but Mr Perez de Cuellar had asked that his report "be kept confistrike in 1984. The TGWU said Mr John He prompted angry Labour

union's National Docks Committee today.

general secretary, said the union had a long standing pol-

scheme may prompt union strike ballot

By Charles Leadbeater and Philip Stephens

DOCKERS' leaders are expected to meet today to consider calling a national strike ballot following a Government announcement yesterday of plans to abolish the National

major British ports which handle 70 per cent of the country's overseas trade. It ensures that manning levels in the ports covered can be reduced only through voluntary redun-dancy. Dockers laid off have to be found alternative employ-

The Transport and General Worker's Union, the main dockers' union, decided in December it would ballot the 9,400 scheme dockers on strike action if the schame was threatened, and ministers have not discounted the possibility of industrial action in the

scheme ports.
Mr Nigel Lawson, the Chancellor of the Exchequer, was said by a ministerial colleague yesterday to be concerned that any prolonged action could provoke speculation against sterling, threatening a further rise in inflation and interest

However, ministers believe it is unlikely the TGWU would be able to mount a strike to compare with the national stoppages of 1972 and 1975 which affected large parts of the economy. Dockers split during the last threatened national dock

Connolly, its national docks official, would consult the

Mr Ron Todd, the union's

icy to protect the scheme and prevent a return to unregulated, casualised employment in the docks.

The Government revealed its intentions in a White Paper (draft legislation) published yesterday which will be fol-lowed by the publication of a Bill today. This is expected to become law in July, when the abolition will take effect.

The White Paper blames the scheme for restrictive practices which it says have raised prices, cut output and reduced employment at the ports covered. The ports' ability to compete for a share of the expan-sioo of trade likely to be created by the 1992 single European Community market programme would be seriously hit by the scheme's continuation, it argues.

The hill will abolish the joint employer/union National Dock Labour Board and its 20 local boards, which administer the

The announcement, made by Mr Norman Fowler, Employment Secretary follows increasing pressure from Conservative backbenchers for the scheme's abolition. The abolitionists threated to force the issue in the next session of par-

The move was described as an act of "wilful sabotage" by Mr Michael Meacher, Labour's employment spokesman. However, it is thought the Mr Neil Kinnock the Labour leader would be unhappy at the pros-pect of the TGWU, the party's largest and most controversial affiliate, launching a national strike during a crucial phase in the party's review of policy for the next general election. Ministers believe a strike would have little public support.

against the Government's plans to reform the legal sys-tem in England and Wales was practices and, for the first sharply criticised yesterday by the Consumers' Association.

By David Churchill

"The shake-up will smash one of the last great restrictive

its comments came on the choose which ever of today's House of Lords offers the best deal," the association says.

Ment outlining the reference of also believed that legal should be treated no It described the council's, services should be treated no suggestion - made in a differently from other services.

Consumer group attacks barristers' campaign THE BAR Council's campaign "preposterous."

to be sent to either court

depending on judge availabil-

Lord Mackay's announ

ment was welcomed by the

Law Society, the representa-

tive body of solicitors in England and Wales. It said it

was particularly pleased that there was to be a substantial

increase in the scope of cases

that could be heard by county

However, Mr Andrew Lock-ley, the Society's director of legal practice, warned that

ley said.

The civil justice review was

launched in February 1985, by Lord Hailsham, Lord Chancel-

for at the time.

The review body, which issued reports on the various parts of its brief over the fol-

parts of its uriet over the loc-lowing three years, was chaired by Sir Maurice Hodg-son, former chairman of ICI, Britain's biggest chemical com-pany, and British Home Stores, the retail chain store.

time, give consumers - not their lawyers - the right to choose which legal service offers the best deal," the asso-

£300,000 advertising campaign But at present they're fudged that the reforms would by constraints which restrict reduce consumer choice as consumer choice.

March record for car sales

NEW CAR sales in the UK jumped by 5.73 per cent in March to 221,155, a record for

years of record sales.

In the first quarter new car sales were 7.93 per cent higher than a year ago at 631,202, and moter industry analysts have begun to revise upwards previ-

last year's record level of

were not expected to weaken,

and private car purchases would have to fall by more

Rover Group, the subsidiary of British Aerospace, has suffered a sharp decline in market share in the first three months of the year to only 18.7 per cent from 15.4 per cent a year ago.

Its sales volume has dropped 21 C . 1 W. 7 T. 1

It will receive a fresh boost later this month with the official launch of its new genera-tion Flesta small car. Ford's market share in the first quarter jumped to 27.69 per cent from only 25.8 per cent a year

By Kevin Done, Motor Industry Correspondent

the month, allaying earlier industry fears that demand would weaken this year after years of record sales.

ous forecasts.

Mr Chris Avery, automotive analyst at Citicorp Scringeour Vickers, the stockbroker, said yesterday that it was now "very unlikely" that new car sales in 1989 would fall below last year's record level of

Company car purchases, which account for more than half of the UK car market.

would have to fall by more than 14 per cent in the remainder of the year, if the total market were to decline below last year's level, he said.

The share of imported cars, which helped fuel last year's record 56.1bn motor industry trade defeit remains high and

trade deficit; remains high and accounted for 55.39 per cent of new car sales in the first quarter compared with 54.41 per cent a year ago. In March alone importers captured 54.74 per cent of the market compared with 54.99 per cent in March last year.

by 3.8 per cent to 86,661 in the first quarter to contrast to the jump of 7.9 per cent in the overall market, and it has slipped into third place behind Vauxhall, the UK subsidiary of General Motors of the US.

Ford, the dominant UK market leader has been one of the

ket leader, has been one of the main winners in the first quar-ter. It is recovering from its weak performance last year when production was hit by a two-week strike, and has increased its sales volume by 15.8 per cent in the first three months of the year to 174,782.

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Road repairs spending to rise sharply

By Andrew Taylor, Construction Correspondent

SPENDING on repairs to work after increases in conBritain's motorways and trunk increases in conBritain's motorways and trunk
The transport department in the condition of product of the condiBritain's motorways and trunk
Britain's motorways and t

nance is to rise from £30m to

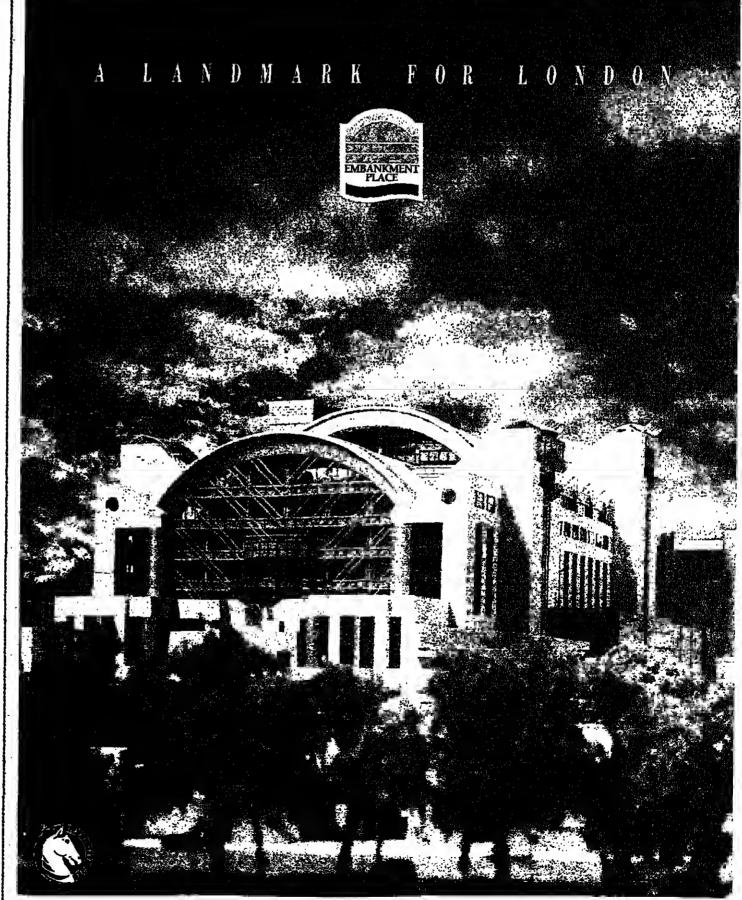
Last year £135m was spent on motorway and trunk road repairs instead of £177m as originally proposed. The shortfall was because of funds earmarked for repairs being switched to new construction Britain's road bridges.

A transport department survey this week said the condi-tion of roads in England and Wales, was worse than 12 years ago, despite a small improve-

ment last year. Civil engineering consul-tants in a report to the depart-ment have also warned about the deteriorating state of

The department said increased spending on repairs refelected several major repair jobs in this year's programme as well as its determination to eliminate the roads mainentan-ace backlog by 1992-93.

Mr Peter Bottomley minister for roads said the amount of work which could be done would depend npon contractors' prices. About 15 per cent of the maintenance budget would be held back until later in the year in case prices rose



Embankment Place, developed by Greycoat. 350,000 sq. ft. of unique office space rising majestically above Charing Cross station with magnificent views of the river.

It will be ready later this year. For details telephone Baker Harris Saunders 01-796 4000. Hillier Parker 01-629 7666 or E. A. Shaw & Partners 01-240 2255.

Thames agrees water deal with Portals

By John Ridding

THAMES WATER, the largest regional water euthority, has agreed to purchase the loss-making water treatment busi-ness of Portals Holdings in what is believed to be the first purchase of assets of a listed company by one of the 10 water authorities. Mr Mike Hoffman, Thames

Water's chief executive, said that the move was e strategic step and reflected the authority's desire to expand its business base ahead of the privatisation of the regional water authorities.

The deal, which has a total possible cost of £33.9m, is conditional on a successful flota-

Despite political problems in recent months concerning the privatisation process Mr Hoff-man thought that Thames Water's listing would be

achieved on schedule.
In the meantime, Thames, and Portals' water treatment division will co-operate in the marketing of their products,

The business being purchased, which does not include Houseman, supplier of water treatment chemicals, compared to the contract of the contract prises 18 companies operating around the world.

around the world.

Its activities include design contracting for the drinking and industrial water treatment markets and the design and supply of products such as soft-

Credit industry warned over tone of advertising

By David Barchard

THE CONSUMER CREDIT industry yesterday received a warning from Mr Peter Lilley, Economic Secretary to the Treasury, about its advertising

"If the credit industry is con-cerned about its public image it should reflect the prudence of its practice in the tone of its marketing." said Mr Lilley, speaking to a meeting of the

Finance Houses Association. Mr Lilley said that although credit companies had a vested interest in being responsible lenders, this was not always the public perception of them. "The industry has only some of its own members to blame." Mr Lilley said. "Their advertising material, or some of it, conveys the impression that limitless sums are being pressed on all and sundry."

He said that it was under-

supply of products such as toff-eners and chlorinators.

In the year to 1988, Portals'
water unit, excluding House-man, made losses of £1.1m.
This was largely the result of £2m losses at its Permutit sub-sidiary in Australia. The divi-sion returned to profit in the second half.

standable for people to be alarmed when they received unsolicited mail of this kind from the institution holding

However, Mr Lilley said that should be kept in perspective.
Consumer credit was only just
over 15 per cent of total household debt and credit card purchases were less than 6 per
cent of total retail spending.

He said that the Government supported the use of credit reference agencies and that lenders had a duty to check out the creditworthiness of borrowers. Checks on creditworthiness

were the main reason that bad debts and arrears were falling, and most debt arrears were now caused by unforeseeable personal difficulties such as personal difficulties such as assess complaints made divorce, job loss and sickness.

Delay in rail crash response prompts inquiry

By Kevin Brown, Transport Correspondent

internal inquiry last night after admitting that staff failed to alert emergency services for nearly 20 minutes after a train was derailed in south-west

The accident happened when the first three coaches of the 10.36am train from London's Weterloo station to Southampton on the south coast was derailed at 10.52 at a junction

The ambulance service said that it was unaware of the accident until 11.14am when it was alerted by calls from jour-

BRITISH Rail launched an internal inquiry last night after admitting that staff failed accept at 11.26am, but only after it had reached British rail after press inquiries.
BR said none of the 100 pas-

sengers on board the train was injured when it was derailed after crossing a faulty junction

at low speed.
"It would appear there was a delay in calling the emergency services. The staff on site were aware that no injuries were involved, but the emergency services should have been called," the corporation said. The Ambulance Service said

it implemented its major accident plan as soon as it learnt of the accident, and a number of ambulances and supporting officers were despatched to the

"The accident could have

"The accident could have shaken people up, thrown them across the carriage — whiplash injury is very common in rail accidents," an ambulance official said.

"I understand people went to Wimbledon BR station and were treated by staff. "By the time we got there many had dispersed. They could have suffered shock, and our advice if

people start feeling its effects later today or tomorrow is to

see their GP."

The ambulance service said it had written to Sir Robert Reid, chairman of BR, asking for an explanation of "the catastrophe that could have

under manual control from a signal box because of technical work being carried out on the automatic signalling system in the area.

BR said the junction was

The accident would probably not have happened if the auto-matic signalling system had

armaments business sold by the Government to British

Aerospace two years ago, is to cut e further 250 jobs under plans announced yesterday for reorganising its rocket motors

The cut will affect more than

the cut will anest more than half the company's workforce at Westcott, near Aylesbury, north west of London. However, Royal Ordnance said 80 jobs would be created at its other rocket motor site at Sun-

merfield, near Kidderminster, in the West Midlands, where parts of the Westcott plant's

parts of the Westcott plant's activities are being transfarred.

The company at present employs 440 people at Westcott and 550 at Summerfield.

Mr Jack Dromey, national secretary of the Transport and General Workers' Union, said he was relieved that Westcott was not being closed. But he expressed concern about the

expressed concern about the plant's future viability. "This could be a step on the way to

closure," he said. Unlike earlier rationalisation

moves in other divisions, the plans do not involve the sale of real estate. Closures either car-

ried out or planned at Enfield

Armaments group

ROYAL ORDNANCE, the fuelled allegations of asset-armaments business sold by stripping by the British Aero-

cuts more jobs

By David White, Defence Correspondent

been working because it would have identified the faulty com-ponent in the junction which caused the derailment, BR

The accident occurred while two separate public inquiries were sitting in London into rail

space group.

The National Audit Office is

preparing a report on the

tion keeps both sites but splits their sphere of operation, with Summerfield taking responsi-

bility for solid propellant motors, including research and Westcott for liquid fuel motors. Some activities are to be moved to Summerfield from

moved to Summerheld from
the research and development
centre at Waltham Abbey,
scheduled for closure this year
with the loss of 800 jobs.
The company said its plan
took into account a squeeze on
research funding from the Ministry of Defence. It declined to
comment on the cost of the
reorganisation, but said the

reorganisation, but said the new structure would "facilitate future investment." It would

start talks with unions on how to implement the plan, and it would try to offer alternative

jobs at other sites.

The cuts are the first since Royal Ordnance announced a

concentration of ammunition

production six months ago.

The rocket motor reorganisa

which has bought a property recently would have needed an crashes at Clapham in south London, where 34 people were killed, and at Puriey, also in south London, where five died. income rise of nearly 20 per cent in the last 12 months to maintain a constant standard of living, according to a report

The Purley inquiry was told that BR hopes to introduce aircraft-style "black box" recorders in 1991-92 to help identify the causes of future accidents.

today.
The survey, by The Reward The survey, by The Reward Group, the pay and cost of living advice company, highlights the impact of the steep rise in mortgage rates since last summer. Sharp rises in house prices last year have also pushed costs higher, it says. If housing costs are excluded, prices of goods and services are shown as rising by 5.5 per cent in the past 12 months, roughly in line with estimates by Mr Nigel Lawson, the Chancellor of the Exchequer, in his budget speech last month.

AN AVERAGE British family

Homebuyers

'severely

hit by loan

rates rise'

By Raiph Atkins,

However, housing costs for

private owners hnying new houses have risen by 62.5 per cent in the last 12 months and 39.1 per cent in the last six months alone. For tenants of properties owned by local councils, the average increase in the last 12 months was only

6.7 per cent.
This means that for house-holds which bought houses, incomes have needed to rise by 19.1 per cent in the last 12 months to maintain living standards.

Latest figures published by the Department of Employ-ment showed that average earnings were rising at an underlying annual rate of 9 per cent in January.

The survey shows that the biggest increases in incomes needed to maintain living standards were in the east Mid-lands and East Anglia, fol-lowed by the South West. The smallest increases were needed in Northern Ireland, Scotland and northern

UK Regional cost of living report. The Reward Group, Reward House Diamond Way.

Statistics shake-up raises City concern

By Simon Holberton, Economics Staff

LEADING City of London economists yesterday volced concern over the independence of the Central Statistical Office when it is transfered to the Treasure from the Cabinet

Office.

The change of ministerial authority for the office was signalled on Wednesday when the

Prime Minister announced a shake-up in the collection of economic data.

Among the changes outlined is the controversial decision to transfer ministerial responsibility for the CSO from the

Prime Minister to the Chancel-lor of the Exchequer.

Mr Bill Martin, chief UK economist at UBS Phillips & Drew, said, however, that there was now a need for an independent watchdog to protect the interests of non-Treasury users of economic data. A CSO working for a monopolistic Treasury may not be in other users interests, he said.

Such a watchdog could be headed by Mr Terence Higgins, chairman of of the House of Commons Treasury Commit-tee, and consist of other eminent figures representing non-Treasury users of UK economic data to ensure the CSO inde-pendence. It could receive and

mist at House Covett Security Pacific, said: "Politicians being politicians will want to use sta-tistics for political ends and the door is now open for that

to happen."
Mr Stephen Bell, economist
at Morgan Grenfell, said, however: "I think the concern
about political manipulation of Mr Bell, a former Treasury official, said that when he worked at the Treasury monthly money supply figures were politically sensitive and could often lead to rises in

interest rates.

There was, however, no hint that Treasury ministers would have ever sought to manipulate those figures. He said that if such an operation occured and it became public then the political consequences would be extremely damaging for the Government of the day.

Mr Jack Hibbert, CSO director, said the document setting out the aims and responsibilities of the CSO as an executive interest rates.

ties of the CSO as an executive agency should provide a state-ment of its independence. In July the CSO will merge

with the Trade Department's Business Statistics Office and take responsibility for the trade figures, the retail prices index, and other data.

UK set for hard landing says P & D

By Raich Atkins. Economics Staff

THE UK economy is heading for a hard landing with sluggish growth and persistent inflation, says a report today by UBS Phillips & Drew, the

securities house.

Britain is "drifting into a period of stagflation," the report says. The economy is expected to grow by only 1.4 per cent in 1990 while inflation gets stuck at 6 per cent. Its forecast is among the first from London analysts to explicitly counter Treasury predictions of a soft-landing for the economy with moder-ate growth and falling infla-

Mr Bill Martin, chief UK economist at Phillips & Drew, says that since the Second World War, periods of strong growth, such as between 1987 and 1988, have been followed by long periods of sluggish growth. He says: "Despite Britain's

supply-side improvements, there is no compelling reason why the economy should escape the stop-go syndrome this time around."

The report says the large

carrent account deficit will constrain growth. Catting the deficit to a more reasonable size will require several years of weak domestic demand

Last month, it said it was in north London, Waltham Abbey in Essex and Patricott near Manchester, with a combined workforce of 3,200, have considering a reprieve for 400 of the 1,100 jobs at its Rishop-ton ammunition and propellant Stone Business Park, Stone, Staffordshire ST15 OSD. Faded star of UK electronics

works on rescue formula hailed as a rare bright spot in James the UK electronics industry is examine now fighting for its life. A COMPANY which was once

now fighting for its life.
This week new senior management was appointed at Rodime, a significant worldwide maker of computer disk drives, which is based at Glenrothes in Fife, Scotland. A few days earlier it announced heavy losses and admitted that it was perilously close to insol-

vency. Now Rodime's new chairman and new managing director, both from the US, are attempting, with the Bank of Scotland and Noble Grossart, the Edinburgh merchant bank, to work out a way of saving the company. The options include raising new finance but Rodime has also said it is considering the sale of some of its assets, subsidiaries, and even the company itself.

Rodime was founded in 1980 by three Scots and an American, Dr Leonard Brownlow, who spun out of the Glen-rothes plant of Burroughs (now Unisys) to make their own hard disk drives, one of the main memory stores of a computer. The company achieved rapid success with its 5½ inch disk drives, which were smaller and faster than their rivals, and in 1963 they introduced the world's first 31/4 inch disk drive, the size which is becoming the industry standard thanks to its adoption in 1987 by International Business Machines.

The company grew randly until 1985, when it achieved record pre-tax profits of £14.8m on sales of £75.9m. It had added a second plant to Glenrothes at Boca Raton in Florida to get closer to its customers - the big computer manufacturers. But then things began to go

Rodime believed its current product range still had a lot of life in it and so postponed designing new lines. It was also slow in joining the exodus of data processing equipment makers from Europe and the treet to the low-cost production. US to the low-cost production bases in the Far East. It did not get its plant in Singapore operating until August 1987. The mistakes Rodine made have been attributed to its fail-

ure to expand its management team much beyond the small group that founded the com-pany, and thus to make the transition from a vigourous start-up to a mass manufac-It maintained its Scottish base even though many of its

investors, apart from the founders and Investors in Industry (3i) who hatween them hold 40 per cent of the equity, are American - the company having been floated on Nasdaq, the over-the-counter market in examines management efforts_to find a recovery path for Rodime, the ailing maker of computer

disk drives which

finds itself in trouble after years of rapid growth London but gives its results in dollars.)

By early last year Rodime was hoping that it had put its difficulties behind it — difficuties which had included heavy stock write-offs, contributing to an after tax loss of \$18.5m in 1987. Its new product range was coming into production and being accepted by big cus-

However, in reality Rodime was confronting what proved be a very difficult market for all disk drive makers from a weak financial base and with its production systems still

It had to continue expanding its Singapore operation at a time when oversupply in the market enabled its customers to best down prices: so that Rodime was having to agree to long-term prices that could only be economic with high volumes — before it could produce the high volumes. As pressure on margins mounted Rodine had to write down the value of its stock by \$9.2m. The year to September 30 1988 ended with a loss of \$24m on sales that were up only 3 per cent at \$115.6m.

Mr Jerry Atterbury, of the California analyst Dataquest, says: "The whole industry had a tough time in 1988 because of overcapacity. In the volume end of the market companies expected to sell \$17hn worth of expected to sell \$1700 worth of product but in reality sold only \$14bn. The rest went into inventory." Leaders of the US-dominated industry such as Seagate and Miniscribe plunged into loss.

Although Rodine's sales

continued to rise in the last quarter of calendar 1988 the company was still selling below cost and lost \$2.5m. In the early part of this year the crisis built up: production was held up because of component shortages, which Rodime admits were partly due to sup-pliers: withholding supplies pending assurance as to pay-

Having falled to put together a long-heralded \$20m financial package the company's short-term borrowings soared to \$23.9m in late February as it reached the limit of its overdraft facility with the Bank of

Last-week Rodime, having

Buxton postponed reporting its 1988 results to the last possible moment; put out a starkly depressing statement on its sit-nation, in the detail required by the US (but not the British)

200

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regulatory authorities. This week Dr Len Brownlow. chairman, and Mr Mervyn Brown managing director, resigned. The board appointed two senior figures from the US data processing industry: Mr Tom Kamp, a former vice chairman of Control Data, has become chairman, and the British-born Mr. Peter Balley, also once with Control Data and a leading figure in the US venture capital industry, has become managing director.

The Bank of Scotland has given Rodine valuable breathing space by temporarily increasing Rodine's overdraft and has brought in Noble Grossart to assess the financial possublities. The fact that the res-cue attempt is Edinburgh-based is partly the result of Bank of Scotland's result of Bank of Scotland's crucial role as lender, and partly because Rodime is still a Scotlish-based company. In spite of its far-flung operations and the fact that marketing is the four Florida Clempthes. run from Florida, Glenrothes remains the company's engi-

neering centre. "Every scenario being con-sidered for the future of the Company envisages Glemothes remaining the technical centre," said a company official yesterday. "This is where the company's brainpower is."

However, neither the com-pany nor its advisers wish to say much now about how they see Rodine emerging from its crisis. "We're looking at all the outlines for the company." options for the company, says Mr Angus Grossart of Noble Grossart, which prides itself on

only employing 20 people. At Dataquest, Mr Atterbury says: "The rest of the disk drive industry is pulling out of the trough, though it will take until the second or third quarter till most companies get tack in stella coordinate." back to stable operation." As for Rodime, he says: "We'd expected them to start turning the business round with the excellent range of products they announced in November. They're a very innovative com-

There is one other important factor. Although Rodime has some potentially serious lawsuits against it, it also has claims against leading manu-facturers, including IBM, for alleged infringement of its patents on its 3½ inch disk drive. Late last year the US Patent Office, after re-examining its patents, reissued them prompting Rodine to allege infringements by about 20 companies. If those suits succeed. Rodime may be worth more than the \$4.6m at which it is currently capitalised.

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FT LAW REPORTS

Bank fails on damages claim for war zone loss

BANK OF NOVA SCOTIA V HELLENIC MUTUAL WAR RISK ASSOCIATES LTD Court of Appeal (Lord Justice May, Lord Justice Ralph Gibson and Lord Justice Bingham): March 22 1989

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THE INSURERS of a mortgaged vessel who contract with the lender to inform him if cover ceases, are not obliged to tell him that the vessel to tell him that the vessel sailed into a prohibited area in breach of warranty under the instrance contract, until they have decided whether to exercise their right, arising from such breach, to reject the shipowner's claim for constructive total loss. And knowledge of possible fraud by the shipowner does not in itself impose on the insurers a conimpose on the insurers a contractually implied duty or duty in tort to inform the lender, if their obligation is confined by the contract and circumstances to giving notice that cover has ceased.

The Court of Appeal so held when allowing an appeal by the defendant mutual insurance club, the Hellenic Mutual War Risk Association Ltd. from Mr Justice Hobhouse's decision that it was liable for \$2.6m damages for breach of contract to the plaintiff bank, the Bank of Nova Scotia. LORD JUSTICE MAY, giving the judgment of the court, said that the club provided mutual

shipowning interests. It insured various vessels of the Good Faith group. The Nova Scotia bank

financed the group's acquisi-tion of a number of vessels, in particular the Good Luck. The insurance provided by the club was governed by its Rules. Rule 20 provided that the club had power to specify places as "additional premium areas". If an insured ship failed to sive promut notice of entry to

give prompt notice of entry to an additional premium area, the club was entitled to reject claims srising while it was in the area. Rule 25 provided that the club could impose prohibi-tions as to routes, and that every insurance should be deemed to contain a warranty by the shipowner that all such prohibitions would be acted on.

Under the loan agreements with the bank the primary security was a mortgage of the vessels, but the shipowner was left in possession as long as it did not default. It undertook to insure them at its own expense for an appropriate value against stipulated risks, which included war risks.

The documentation provided that the shipowner should not do anything which might lead to suspension of insurance and, particularly, should not permit the vessel to enter a war zone without prior notification to the insurers and the bank, and payment of additional premium.

that the club provided mutual

The bank also took out mortwar risk insurance to Greek gagee's interest insurances. In

addition a letter of undertaking was given by the club to the bank. It was not a gratuitous accommodation of the bank by
the club but was issued as a
matter of business, ultimately
in the club's own commercial
interests. By this letter the
club undertook to advise the
bank promptly if it ceased to
insure Good Luck. It was to
pay any loss exceeding \$30,000
to the bank.
In April 1982 the shipowner
started to re-negotiate its bank
loans. On April 7 1982 Good
Luck proceeded to Bandau
Khomeini, a prohibited war
zone, and on June 6 was hit by accommodation of the bank by

none, and on June 6 was hit by Iraqi missiles. She was badly damaged and ultimately declared a constructive total

The shipowner had not informed the club or the bank of Good Luck's final journey on June 6. It purported to send a telex to the club on Friday June 4, saying that the vessel had entered an additional pre-

man emered an animanal pre-mium area, and asking for cover accordingly.

In fact the telex was sent on the evening of June 6. Mr Jus-tice Hobhouse held the shi-powner had sent it frandu-lently after it knew of the casualty. The club's agents were aware from the outset of were aware from the outset of the probability of fraud, at least with reference to the telex. They know that because the vessel was in a prohibited zone the club would not be legally liable to meet the claim.
They knew the shipowner would leave the bank in igno-rance as to the state of the

Although the bank was in the process of negotiating the refinancing agreement with the shipowner, and became aware of the casualty, it did no more than cursorily investi-gate the position of the war risk cover.
The club agents told it they

had received notice of claim from the shipowner which they were investigating in the usual way. The clear implication was that the claim was routine, only requiring checking before being accepted and paid, whereas the truth, as the agents well knew, was very different

Against that background, the bank completed the refi-nancing agreement with tha shipowner on July 9. In addi-tion to rolling over existing loans, it permitted \$2.6m to be drawn down for working capi-tal If one removed Good Luck

tal if one removed Good Luck from the available security no draw down for working capital would have been made.

On July 19 the shipowner, having given notice of aban-donment to the club, confirmed the desire for constructive total the claim for constructive total loss. On August 4 the club rejected the claim on the ground that the chaim on the ground that the ship was in a probibited area, and was in an additional premium area with-out notification. On August 5 the club agents telexed the bank that the club would not pay any claims arising out of

the incident
Litigation ensued Mr Justice Hobhouse held that had the bank been told by the agents that at the time of the casualty the vessel was in a prohibited area and was not covered for war risks, the question of including Good Luck in the security would have been handled differently

died differently.

The judge held that the club was in breach of its letter of undertaking. He rejected a claim based on duty of utmost good faith. He gave judgment for the bank against the club for \$2.8m. The club appealed.

The first question was whether the club broke its content with the bank against the club broke its content with the bank against the same of the club broke its content with the bank against the club broke its content with the bank against the club broke its content with the bank against the club broke its content with the bank against the club agains

tract with the bank, expressed in the letter of undertaking.
Until the decision to accept the claim had been ruled out by the club, it had not ceased to increase and the claim had been ruled out by the club, it had not ceased to increase and the club. to insure Good Luck. The effect of the shipowner's breach of warranty was the same as in the case of breach of express promissory warranty in the law of non-marine insurance— the policy was not automati-cally avoided by the breach, but ceased only if the insurers

elected to repudiate liability. The club committed no breach of the express terms of

the letter of undertaking.

The judge concluded that a duty to speak on the part of the club arose by implied con-tractual term, and in tort. He held it was an implicit requirement of the contract that, if the club knew the owner was dishonestly jeopardising the insurance cover in fraud of the bank, or at least in breach of obligations without the bank's concurrence, it must tell. He said the implication was necessary in order not to render the contract valueless.

It had never been suggested that the club was party to the fraud or induced breach of contract by the owner. The law imposed no duty on a person to report fraudulent conduct to the victims merely because he had knowledge of it.

The club on making the con-tract with the bank remained free to prefer its own commer-cial advantage to that of anybody else. It was entitled not to offend the shipowner by termi-nating the insurance and notifying the bank, or giving notice to the bank without termination. It was immoral if a party to a commercial arrangement was willing, for his own advantage, to keep silent about such conduct. But immorality of conduct did not by itself pro-vide a basis for implying a contractual term.

The necessity perceived by Mr Justice Hobbouse lay in his view that, without such a term, the relationship between the club and the bank would be destroyed and the contract contained in the letter of undertaking would become potentially valueless.
That was not correct.

The club was to hold the benefit of the insurance to the bank's order and to inform the bank if the club ceased to

insure. Save to the extent expressly stated in the letter of undertaking, the relationship between club and bank did not unless some term was implied - require the club to pass on any information about the

The relationship between club and bank, so far as concerned legal obligation, functioned according to its terms. To imply the term proposed would make a new and differ ent relationship.

As to whether there was a duty of care in tort, the law did not impose, by reason merely of knowledge of the existence of traudulent conduct, a duty on any person to inform the victim of a current fraud so as to be liable in damages for failure to inform.

It was not unjust for the bank to be restricted to its con-tractual rights against the club. The club was under no duty to speak, in the circum-stances of the case, either under any express or implied term of the letter of undertaking, or by any duty of utmost good faith in its relations with

The appeal was allowed. For the club: Christopher Carr QC, John Gilman ond Alon Griffiths (Holman Fenwick & Willan)

For the bank: Jonathan Mance QC, Julian Flaux and Stephen Kenny (Constant & Constant) Rachel Davies

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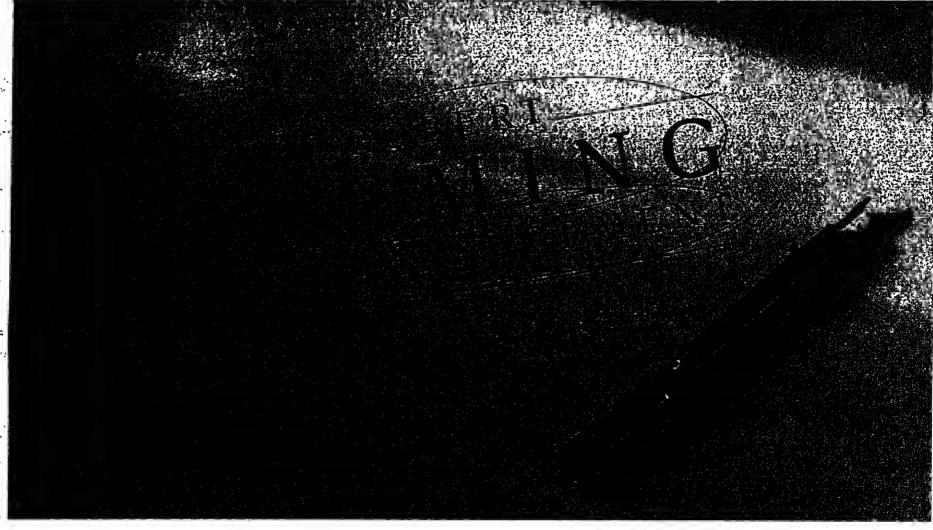
Tuesday, 18th April, 1969, at 12 m

the purpose of coundering the following Agenda;
To receive and adopt the Management Report of the Dissember 31st Documber, 1961.

o grant discharge to the Directors and Statutory Andhor in suspect of the recording of their mandens to 31st December, 1988. In appoint the Directors and the Auditor for the next term of one year,

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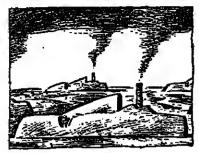
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FLEMING ASSET MANAGEMENT

TECHNOLOGY

Concluding a series on industry's response to environmental worries, Robert Taylor reports on the business opportunities created by Sweden's ecology-conscious consumers



Fertile territory for the rise of 'green' capitalism

weden has moved rapidly to the forefront of the green revolution which is sweeping through much of the western industrialised world.

Under the relectless pressure of an environmentally conscious public, the environmentally conscious public, the country's employers are being forced to take the pollution they create very seriously. There is a genuinely bipartisan attitude to environmental issues in Swedish politics, where the regulation and prohibition of dangerous substances and emissions enjoy wide sup-

Opinion polls in Sweden have shown that for more than a year the environment has headed the list of poblic anxieties. Such sensitivity is not surprising in a country where half the population owns country cottages and nearly a quarter has boats. In 1988, deaths of seals around Sweden and the spread of choking algae in the waters off the country's west coast ensured that the environment becama a big political issue in the autumn

general election. As a result, the Green party made a breakthrough and entered Parliament for the first time. This is likely to ensure that the national debate about the environment grows even more intense. Pressure groups, such as Greenpeace and the Svenska Naturskyddsforeningen (National Society for the Conservation of Nature), have been able to take the initiative in public campaigns to bring home the dire

consequences of pollution.

For many Swedish companies, anxiety over pollution has meant rising production costs as they seek to comply with new legal constraints, as well as a mounting concern that they might fail to compete effectively in world markets against rivals making products in countries which are not so environmentally conscious. At the moment, there is widespread alarm in Swedish industry about the consequences of the planned closure of the country's nuclear power plants from

But all is not gloom for the companies. Indeed, Sweden is rapidly turn-ing into one of the world's best examples of green capitalism. More and more employers have begun to realise that they can make a virtue of neces-

criminating consumer market to Sweden in the mood to buy what are described as "environmentally friendly" products.

"It is only in the past couple of years that attitudes have really started to change in industry," says Anders Wijkman, who runs the pres-Ancers withhan, who runs the pressure group Naturskyddsforeningen.
Lars Larson, who heads the environment department at the Federation of Swedish Industries agrees:
"Suddenly the environment has come

into the market-place. Wa have regarded pollution in industry as a big issue since the end of the 1960s, but it is only now that people are reacting as consumers."

reacting as consumers."

This trend has been accelerated by the lobbying of Wijkman's pressure group. Last year it published a consumers' guide to environmentally friendly products. The organisation has also had success in urging retail and wholesale chains to purchase and promote such goods. The ICA group, for example, has been especially active in its shops in selling green consumer items. consumer items.

 Now stores across the country are beginning to stock products designed to satisfy the demands of the green consumer. The widening range inclodes tinned pork without hor-mones, natural water without aluminium, batteries without mercury, and safer washing-up liquids, detergents, paints, cleansers and cosmetics.

Some of the most noticeable advances in environmentally friendly products have been made by Sweden's eigger companies with huge export

Take Electrolux, for example. This winter the company has managed to remove half of the CFC content from the insulation in its freezers and refrigerators, through an investment of SKr 50m (£4.6m). "This is only our first step," says Lennart Sundun, a company spokesman. "Wa aim to remove all the Freon (a CFC) from their manufacture."

Electrolux has also taken steps to ensure that its range of dishwashers and washing machines use less water and detergent. "We have to respond to the changing demand and take a lon-ger perspective," says Sundun.

Volvo, Sweden's biggest company, is taking a similar view. In January, Pehr Gyllenhammar, the chief execu-Pehr Gyilenhammar, the chief executive, called a two-day conference of the company's senior management to discuss its attitude to pollution. As Sigge Hergren, head of Volvo's environmental division, points out, the company pioneered the use of catalytic converters in its cars in the North American market as long ass. North American market as long ago as the mid-1970s when Americans started to use lead-free petrol; it is only in the past two years that its cars for the Swedish market have been similarly produced.

been similarly produced.

By the early 1990s, Volvo intends to get rid of CFCs in the plastics and cooling systems of its cars in line with government legislation. The company also plans to introduce particle filters. also plans to introduce particle filters into its buses and trucks, which should reduce the health risks caused by hydrocarbon and nitric oxide emissions. Above all, as Gyllenhammar emphasises, it will be good for Volvo's reputation if it is seen to be taking the environment seriously. But perhaps the most successful

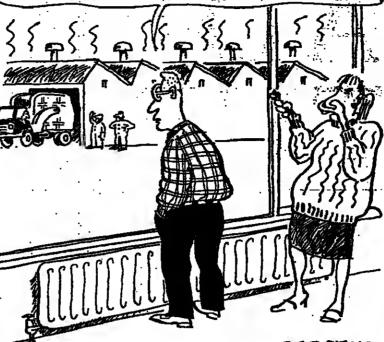
growth in environmentally friendly products has come in the paper and pulp industry, which has diversified into a wide range of consumer goods with obvious export potential. These items include coffee filters, bleachfree nappies, toilet paper, food pack-aging and handkerchiefs. It is virtu-ally impossible to miss the industry's seal of environmental approval now stamped on many paper products in

Sweden's shops.

However, as Nils Jirvall, head of the environmental department at the Swedish Pulp and Paper Association, admits, "our industry was forced into change by our customers last year."
That was when the anvironmental pressure groups concentrated their attack on the vulnerable pulp industry and in particular on its use of chlorine in the bleaching process. Traces of dangerous dioxins were also found in factory discharges, adding to

The resulting agitation proved to be highly effective. Consumer opinion was mobilised behind the campaign to compel the pulp companies to take action. What helped was the discov-ery of a chlorine and dioxin-free tech-

PM AS ENVIRONMENTALLY CONSCIOUS AS THE NEXT SWEDE BUT I THINK RECYCLING NAPPIES IS GOING TOO FAR



RIGHT BELLE

public sector responded. Local government and health authorities began to bulk buy the new product and other companies have had to follow suit.

Over the next three years, the Swedish paper and pulp industry.

Compromise which should halv to compromise which should have the compromise

Swedish paper and pulp industry plans to invest up to SKr 4bn at the country's 15 bleached pulp mills to reduce chlorine emissions. These have already fallen from 8 kg per tonne of pulp to 3 kg, and the industry hopes to limit the figure to 1.5 kg by 1991. But the pulp and paper industry in Sweden cannot afford to move out of

line with what its overseas customers environmental approval for products. want. After all, it provided 45.5 per This seal of approval will be displayed cent of the country's net export cent of the country's net export income, totalling SKr 54bn, last year.

At the moment, it is having to produce an increasing number of bleachfree paper products for the home market, but bleached pulp and paper for overseas consumption.

However, the sense of the bleach sense of the bleach industry will go in its

However, the spread of the bleachfree nappy in the West over the past year suggests that Swedish compa-nies, including SCA, Stora and Modo, benefit from being pioneers of pollution-free products.
"We have the chance to take the

initiative in industry," says Lars Larsson at the Federation of Swedish Industries. The organisation has on March 6, 2, 10, 15, 17, 22 and 30.

nique for producing pulp, pioneered launched a programme to convince its by Svenska Cellulosa (SCA) and diverse range of company members Nymolla, part of the Stora group. This that they should move into green prowas publicised by the green groups, duction. But he hopes that the politicians will not interfere. "They say public sector responded I coal sector should be a good example to

economically sensible."

In fact, there looks like being a compromise, which should help to reconcile the country's employers with the green lobby. At the end of last year an all-party parliamentary inquiry recommended the creation of an independent voluntary agency made up of industry, unions, consumers and green groups. It will aim to establish recognised standards of

For the time being, however, the business opportunities for green capitalism in Sweden suggest that technological change can be harnessed for the benefit of both the environment and the consumer.

Systems that help executives make informed decisions

Senior executives is an exclusive but rapidly growing segment of the computer market. Although worldwide sales of such software packages totalled only \$30m four years ago, by 1992 the market is likely to grow to \$230m, according to international Data Corporation, a market research organisation based in the US.

So far the highest demand for such packages has been in the US, where software to support executive decision making

port executive decision making is used by companies as diverse as AT&T, Holiday Inns and Coca-Cola. However, executives in European corporations, such as Rolls Royce, Shell and ICI, have started to

try them out.

Executive software is expensive, costing anything from £85,000 to £200,000. However, Mark .Wood of Execucom, basad In Austin, Texas, believes that instant information is vital if executives are to make informed decisions. "In the past, if you had no time to get the work done then you hired more staff. With today's trends that is not the case. There are more demands on an executive's time. And management is becoming far more complex, be says. Executive support packages

work by extracting information from both the company's main-frame computer system such as sales and profit fig-ures, budgets and forecasts – and from external sources, for instance share price move-

ments.
Susan McKeever, marketing executive with Thorn EMI Computer Software, the European distributor of the FCS-Pilot package developed by Pilot, of Boston in the US, says that up to 80 per cent of the information needed by executives mation needed by executives comes from external sources.
With a package like FCS-Pilot, the software can be programmed to display information at regular intervals -

share price changes every half hour, for example. The software is customised for each executive so that the information is displayed and ordered in the way in which he or she wants it. This means that when a problem area is spotted, the executive can

focus on that topic and get fur-ther data in the sequence and format in which he would deal

with it manually.

Tailoring the software package to each executive's way of working accounts for about half the cost of installing an

executive support system.

Some of the packages are expert systems, which means that they follow a more sophisticated pattern. For example, if ticated pattern. For example, if the executive asks for profit figures, the software will first retrieve the statistics for the group as a whole and then search for any problem divi-sions. The software that does this for Execucom's Executive Edge mackage was developed at Edge package was developed at Carnegie Mellon University in the US.

Companies marketing execu-tive support software believe that the cost can easily be justhat the cost can easily be justified because the systems do more than just deliver manageable information. "The executive gets information which puts him on top of the situation instantly," says Richard Tuttle, director of markating communications for Execucom. This ability of the executive to do his own homework rapldly can reverberata through the management structure.
When something goes wrong,
middle managers usually like

to have time to prepare their case before they have to face the executive," says Tuttle.

Tha executive systems use sophisticated graphics which display the data in a variety of formats, such as graphs or pla charts, and most systems are designed so that the senior executive does not have to use a keyboard. "People who think executives are going to use a keyboard are living in cloud cuckoo land," says McKeever.

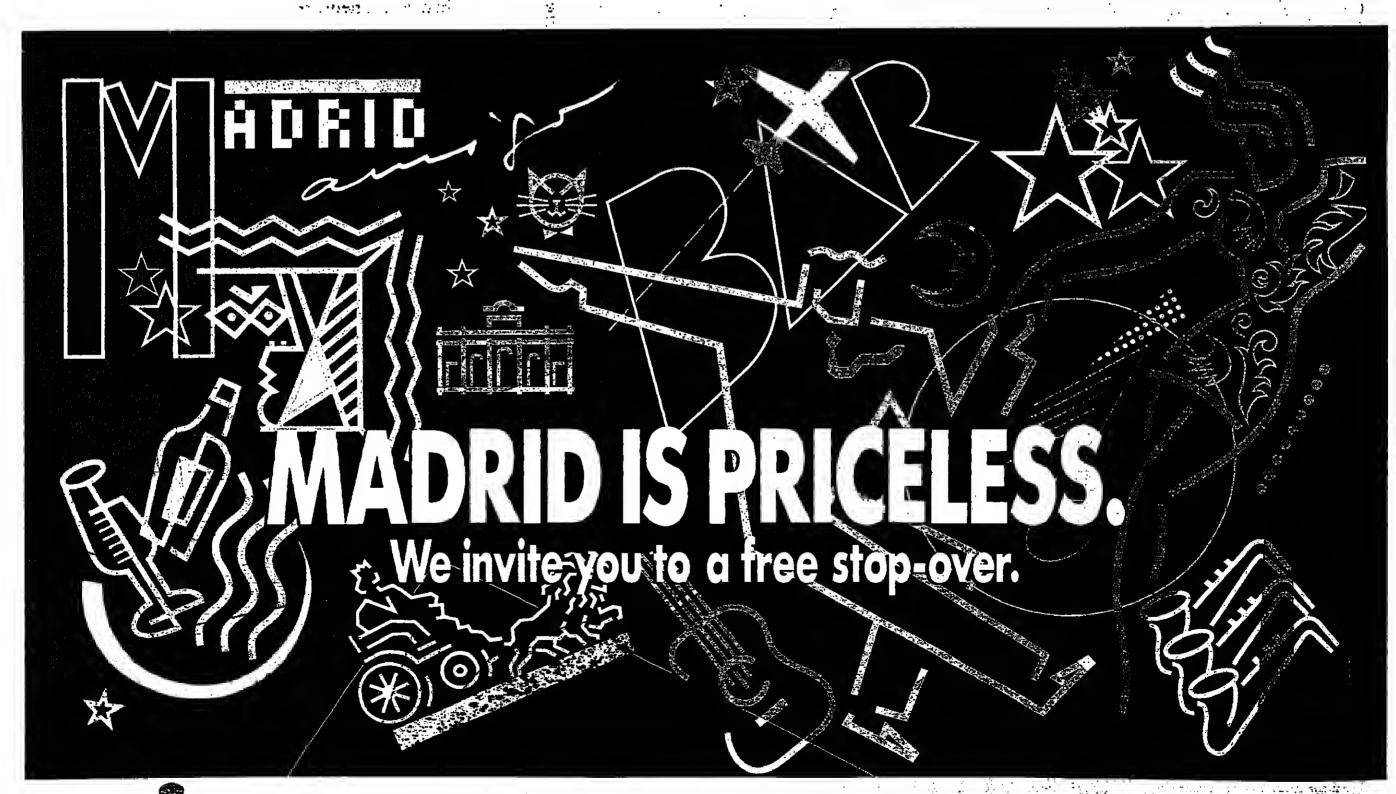
Instead the most commonly used executive systems have hardware which has a touch screen or is operated by a 'mouse'. Some systems can be operated using a remote control device.

The software is also designed

so that it is easy to use. Tuttle says that Executive Edge, for example, takes only 30 minutes

"All our research says that executives just won't tolerate a day of training," he adds.

Della Bradshaw







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a day. You have a friend in Madrid now.



LEADER FROM THE EAST

Cathay Pacific Airways, Hong Kong's airline, has ordered the Rolls-Royce RB211-524L, the world's most powerful turbofan, for its new Airbus A330 fleet which will enter service in 1995.

The order represents the first time a Rolls-Royce engine has been specified on an Airbus Industrie airframe.

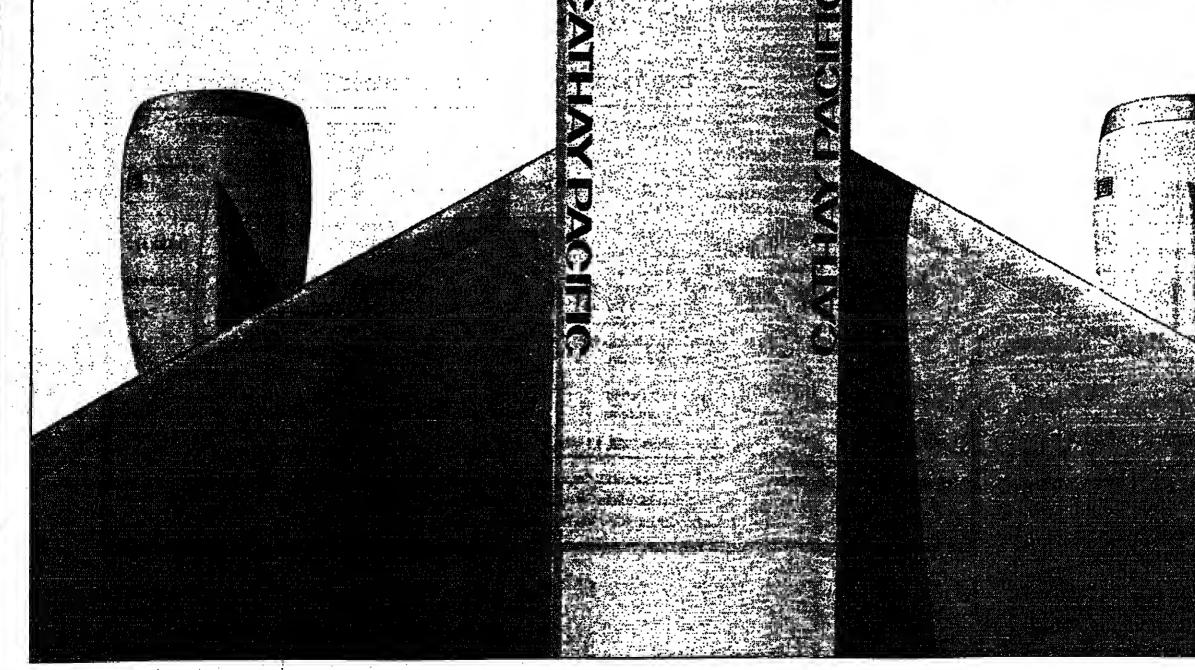
Evolved from the highly reliable RB211 family, the -524L's unique design features will give the power needed by the major airlines for the next decade. Thrust ratings start at 65,000lb and there's growth potential to over 80,000lb.

Cathay Pacific is the only scheduled airline to operate an exclusively Rolls-Royce powered fleet of wide bodied airliners across its Asian and ultra long haul world network.

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i kila firm

year ago, Jérôme Monod embarked on his British campaign. "I was feeling really good," says the chairman of Lyonnaise des Eaux, the large French private water distribution group. "I had just taken part in the bidding for Société Générale de Belgique. We were the first to buy 300,000 SGB shares to give the importus to the other members." the impetus to the other members of the camp led by Suez, our leading shareholder. I felt in a takeover

mood, in great shape and ready to buy a water company in the UK." Monod had had his eye on the UK water industry for some years. And when he decided to make his move his strategy was to launch a full public bid for the Essex Water Company, the biggest statutory water company in the UK. His approach was unlike that of his two French rivals — in France private water companies have long competed with one another for concessions from local authorities – the much larger Compagnie Générale des Eaux, and Saur, the weter group controlled by Bouygues, the giant construction company. At the time they felt that a cautious approach was more likely to succeed in the UK rather than a more politically risky all-out

"When he heard we had launched a full bid, the chairman of Générale des Eaux said we had an incredible nerve," recalls Monod. Martin Bouygues, then the deputy chairman of Bouygues and now head of Saur, was also deeply irritated. "Lyon-naise sent prices of British water companies rocketing." he remarked

Monod, a former top civil servant and for a short time secretary general of the Gaullist RPR party, describes his broad strategy as "clear and ambitious". Lyonnaise, he explains, wanted to develop service activities linked to urban life and its environment with specia emphasis on the water sector and its international operations.

One of his first moves on becoming chairman in 1980 had been to divest the company of its public works and construction operations in order to re-focus the company on its water activities and then to expand internationally. At the same time it moved into new service activities by investing in television and cable, nursing homes for the aged, and leisure facilities, includ-ing golf courses in France.

Of the move into the UK he says: "We took everybody by surprise." Lyonnaise had taken a first look at the UK water market in 1984 when it commissioned a leading invest-ment bank to make a study. They told us there was no financial interest whatsoever for a French company in investing in the British water business. But when Mrs Thatcher launched the idea of pri-vatisation we immediately became

Monod did not intervene straight



away. But once he decided to invest in the UK, he moved with great speed. "Our acquisition strategy is very clear and simple. It consists of looking at a market, selecting our targets, and then trying to wrap up the deal as quickly as possible. Unlike our French competitors, we don't like buying small pleces and then building up our stake gradu-ally. We prefer to reach an agree-ment with our target — as has been the case with our four British and then move quickly together

and then move quickly together with our new British partners on joint strategic alms," says Monod. In barely 12 months, Monod has spent £145m in the UK water business; he has already invested in joint ventures in Spain, Portugal, italy and Belgium, expanded in the Far East, acquired assets in the US, and subsidiaries in West Germany. and subsidiaries in West Germany.

The recent investments in the UK are part of what he calls his group's European growth strategy, "We intend to achieve significant market share in all of our businesses and in all of the countries in the unified market. By significant, I mean from between 5 and 20 or 25 per cent of each national market. In some places we are doing it through joint ventures or partnerships; in other countries, like the UK, through acquisitions," he says.

The French company selected

Essex as its first target in the UK because it was the biggest of the statutory water companies. Just over a week later, Lyonnaise made a full bid for the much smaller East Anglia water company. Monod did not want to hid for another water company in the London suburban

have been a risk with the Monopo-lies Commission. "So we decided to buy something different. East Ang-lia, I was told, was a small company which had to double its volume in the summer to meet holiday demand. I felt it was a good oppor-

After snapping up the first two companies, Lyonnaise decided to let the summer go by before launching new blds. "In the meantime, Génér-



ale des Eaux and Saur started launching their own public offers and we noticed that all the companies in which they were investing were in the London area or on the

southern coast," Monod says.
Lyonnaise thus decided to buy
into Bristol Water Company but as soon as the French group declared it had acquired 12 per cent, Générale des Eaux immediately increased its stake in Bristol to 28 per cent. "This was a bad sign because I don't like to share power with my competitors; we therefore decided to stop all movement in Bristol," says Monod.

Instead, Lyonnaise decided to launch the second phase of its British water campaign in the north of Lyonnaise des Eaux

Why a French supplier is bubbling with enthusiasm for British water

Paul Betts examines the 'clear and ambitious' strategy behind the biggest Continental investment in the UK industry

Jérôme Monod: "When he heard we had launched a fuil bid, the chairmen of Générale des Eaux said we had an incredible nerve"

because I thought no one else would have the imagination to go there," Monod explains. Lyonnaise subse-quently bid for Sunderland and South Shields and for the Newcastle and Gateshead water companies. As the first head of the post Second World War French regional development authority. Monod was already familiar with the north of England and had made official visits to the region. Moreover, his maternal grandmother was Scottish.

"When I was in charge of regional development, I had seen the depth of the disaster of these zones. But I had beard of the arrival of Nissan and of other development prospects for this part of the country. I had enough information to know that this was not the Mezzogiorno of Italy, which is a hopeless case, but a region with a future," he says.

But his acquisitions in the north took longer to complete than in Essex and East Anglia. "And we had to pay more for these compa-nies because the institutional investors squeezed us to the bones having sold the first two companies for a more moderate price. But I think we paid a fair price for these two

companies in the north." By the end of December, Monod had acquired 6 per cent of the Brit-ish water market providing water services for about 3m people. Monod says his campaign was successful because in every case Lyonnaise spelled out its strategy to the water companies it was taking over. We told them what we wanted to do with them in the UK, in France and did not intend to take over the management of their boards but that we wanted to maximise our technologies and technical systems and that we wanted to do things together with them abroad. And all this with a common ethical standard, putting water quality and service above

Monod has also proposed to his new British partners that they should extend their activities in waste management and treatment



since there are close links between the two businesses. "If you distribute water in a large territory you must also ensure that this territory is clean. You are thus forced to take an interest in industrial and urban waste disposal and treatment," says Monod, adding that Lyonnaise was already developing a presence in the UK waste disposal business by bidding for local authority conbidding for local anthority con-tracts. But he would also like to develop a significant presence in the toxic waste disposal business and Lyonnaise is already involved in treatment of toxic waste products from hospitals.

If Monod shows little hesitation

in investing in statutory water companies, he is adopting a much more

cautious epproach to the larger British public water authorities. Even if these authorities are finally privatised, Monod argues that the proposed terms of their privatisa-tion — with a golden share and a shareholding ceiling for investors of shareholding ceiling for investors of 15 per cent – are not very attractive for a group like Lyonnaise. "These conditions don't make me think I will rush to buy their shares when they are floated on the market," he remarked.

But he emphasised that he was keen to work with the water authorkeen to work with the water author-tries, whether private or public, on specific operations either in the UK-or abroad. "I prefer to find new partners than exhaust myself put-ting money in these companies if they are privatised. I think we can work with UK companies in East Africa, in Malaysia, in countries like China or Australia, as well as in some European countries, offer-ing water and other highly techni-cal services."

Monod also believes these part-nerships between different interna-tional groups are bound to grow, He now wants to form a number of European holding companies with several other foreign partners to offer water services in the Commu-

nity.

I think the EC will not accept too strong a domination from national groups in the public service sector. If we go to Germany or Portugal or Spain with a European holding with other European part-ners we will be in a far stronger position than if we went alone as Lyonnaise, I therefore plan to pro-pose to our partners that we set up

الأنكورين المحار وأوثأ المكالم أواكا الاسور

holding companies to enable us to increase our respective market

shares."

Monod has also been following closely the heated public debate in the UK over water rate increases. He has preferred to let the boards of his water companies resolve the problem themselves. "I am pleased with their reasonable and moderate approach to water price rises because in terms of public opinion you eimply can't increase water rates suddenly by 40 or 50 per cent. We are now talking about less than 20 per cent for two of our companies, more than 20 per cent for the third and around 30 per cent for Essex."

For Monod, the issue is essentially economic. "The British are big enough to resolve this economic problem. Moreover, there will also be the problem of European standards, which will not be applied immediately but which are inescapable and will require investment. And you have to make these investments pay. The problem is to ensure that they do pay and in turn provide an improvement in quality, service and equipment."

He also argues that privatisation

He also argues that privatisation will prove beneficial to the British consumer by making the industry more efficient. "I note that Socialist governments in France have never acceptanced performance the France have never considered nationalising the French private water companies," he adds. Water concessions are granted by water concessions are granted by local authorities in France to private companies on long term contracts. Any nationalisation of the French private water companies would have transferred the power and influence of the local authorities. ties to the central government in Paris. "We would have had 36,000 mayors all over France against us if we had nationalised the water comwe nad nanonansed the water com-panies, Pierre Beregovoy, the social-ist finance minister then secretary general at the Elysee, told me back in 1981," recalls Monod.

During the past three years. Monod has invested about FFr 8bn in developing his group's international presence. Nine years ago, only a fraction of the group's activionly a fraction of the group's activities were abroad. Today, 35 per cent of the company's consolidated profits of FFr 550m (sales last year were FFr 18.9bn), is earned abroad and Monod wants to increase this figure to 50 per cent by 1992. To this end, he is planning to invest a further FFr 3-3.5bn this year in part financed by a recent FFr1.4 bn new bond with share warrants issue.

We will clearly not keep up this rhythm of investment for ever. But there are opportunities at this moment in Europe with privatisa-tion and we want to take advantage of them. One day, we will also prob-ably float on the stock market the assets we have been acquiring abroad in the US and the UK, in Spain and elsewhere," Monod con-cludes.

The latest edition of the Financial Times Top 500 is now available for purchase - price £13.00. This is the seventh year in which the FT Top 500, a survey of Europe's biggest companies has been conducted. A new addition to this year's top 500 is the inclusion of the name of the Chairman and Chief Executive of each ranked company — an improvement designed to make the FT Top 500 an even better business tool.

The main list looks at all the publicity quoted European companies and ranks the 500 biggest by market capitalisation, taken as an average for the month of June 1988 and translated into US dollars. A second list ranks the top 500 companies in the UK stock market, which is by far the biggest in Europe.

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FINANCIAL TIMES

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operations up 59%

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We have

■ the management

the drive

a the vision

to seek out and grasp the opportunities created INCOME STATEMENT HIGHLIGHTS

Turnover, R000s

extraordinary items, cents

Dividends per ordinary · share, cents

Dividend per preferred

ordinary share, cents

At 31 December 1988, £1 = R4,29, \$US1 = R2,38

12 months ended 31 December Change 1988 +181 1 887 988 Operating profit, R000s 248 595 +159 Profit before tax, R000s 177 807 +139 Earnings per ordinary and preferred ordinary share from operations before

11,45

EXTRACTS FROM THE AUDITED

BALANCE SHEET 31 December 1988 Total shareholders' interest, 1 137 172 Total assets, R000s 1 966 470 Net asset value per share, cents 476 Self-imposed gearing ceiling, % 60 World-wide gearing, % 47 South African gearing, % 39

The full 1988 results of FSI Corporation Limited were published on 23 March 1989. Copies are available from Gerald Cant, Group Secretary, PO Box 15702, Doorniontein 2028, South Africa Fax Johannesburg 402-7508. Phone Johannesburg 402-3200.

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Airbus wins \$2bn Cathay contract

AIRBUS, the four-nation aircraft manufacturer, yesterday confirmed that the Far East airline Cathay Pacific is placing a \$2.2bn (£1.3bn) order for up to 20 Ac

jets in a deal p more than Sibr space indus Harrison writes

More than ha contract will be UK with British A a 20 per cent sta manufacturing Rolls-Royce the

This deal fol Airline's \$3.6bi twin-engined A3

The Cathay or several new chapte tory of commercia marks the largest By yet for Airbus air first time Rolls ens specified for an A

Cathay's A330s first to be powered b 524L - the most power in the world - under ment by Rolls at a cost

Cathay has placed firm replacing the for 10 A330s, due for from 1995 onwards, with on a further 10. This ta combined order book for the A. and its sister jet, the four-engin long-range A340, to 266 comp ments from 17 customers.

The 315-seater A330s will used by Cathay to replace L heed TriStars on regional rou from its Hong Kong base.

Airbus deal

TAP, the Portuguese airline, has ordered two Airbus A340s with an option on two more worth about £238 million (\$400m). The deal brings the consortium's orders for the week to \$2.7 billion.

Airbus boost

Northwest, the American air-line, is to buy 10 European A330 Airhuses in a £320 million agreement announced yesterday. British Aerospace builds wings for the aircraft. Northwest has already ordered 100 A320s and 20

Airbus benefits from £985m Iberia orders

BY TOM BURNS IN MADRID

and to obtain all the benefits of a and to obtain all the benefits of a promotional client, status.

The first five McDonnell Doughas aircraft, which will replace las aircraft, which will replace liberia's existing DC-9s, will be in service in the last quarter of service in the remaining 12 will 1989 and the remaining 12 will be delivered in 1990. The Airbus be delivered in 1990. The Iberia's 1920s. Intended to replace Iberia's IBERIA. Spain's national airlines, announced at the weekend a announced at the weekend a ptal99bn (\$985m) buying spree of short medium and long-range aircraft.

Theria is to re-equip half its Iberia is to re-equip half its fleet and increase the company's involvement with the airbus pro-

De denvered in 1990. The Airous 320s, intended to replace Iberia's Boeing 727 fleet, will be delivered in 1990 and 1991. gramme through the purchase of the European consortium's long-range jumbo, the Airbus come in the wake of a strong About Pta120hn will be spent come in the wake of a strong upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following Pta11bn losses in upturn in lberia's financial position. Following financial position. Following financial position. Following fin

the European medium-range aircraft, the Airbus 320. Pricing details were not revealed.

The balance, some Pta79bn,

ther financing for the present fleet in the mid-1990s.

Theria said it had opted for a minority block of shares of the share in its final design. Madrid bourse:

TWA to Spend \$3.6 Billion

On Airbus Jets

Compiled by Our Staff From Dispatches MOUNT KISCO, New York -Trans World Airlines Inc. said Tuesday that it had ordered 20 planes from Airbus Industrie and taken options on 20 more, a deal valued at more than \$3.6 billion that is a major victory for the European consortium over U.S. rivals.

The four-nation consortium will egin delivering the 300-seat A330-300 twin-engine widebody aircraft to TWA in late 1994 or early 1995, 'aid the airline's chairman, Carl C.

Airbus has faced difficulties in wing with the U.S. aircraft caturers Boeing Co. and Merigias Corp. because of up decline in the dol-The American manuave complained that fipport for Airbus from

pete with Boeing's 767 on TWA's trans-Atlantic routes. The airline was the second U.S. carrier to order the A330 after Northwest Airlines. Airbus, a consortium comprising Britain, France, West Germany and Spain, has been riding an order boom for new aircraft and has had to stretch delivery times to accommodate demand.

TWA said it would have the right to convert up to 10 of the firm orders and 10 of the options to Airbus A340s, the four-engine. very-long-range model that will enter service in May 1992. The A340 has a range of 7,500 miles (12,500 kilometers), compared with 4,600 miles for the A330.

The TWA purchase was praised by airline analysts, some of whom have said that the carrier could not governments often the new new survive unless Mr. Icahn bought

Lufthansa and UTA Sign Orders for Airbus A-340s

PARIS — Dentsche Lufthansa AG said Wednesday that it had signed a contract with the Althus Industric consortium for delivery of Airbus has also received a firm order for six A-340s and an option on 15 others.

Airbus formally launched a program to build the A-340 and the On six others from the French airline UTA.

Airbus formally launched a program to build the A-340 and the medium-range A-330 canlier than month. The A-340 is designed to compete primarily with the McDonnell Douglas MD-11 riget, an updated version of the DC-10, which will become available in 1990.

The Luthansa planes will be delivered from 1992 onward and will studing replace Luthansa's flost of McDonnell Douglas MD-11 riget, an Luthansa, the West German assistant in the Douglas DC-10s.

Journally signed at the Paris air show, was subject to approval by in minerous nonstop long-distance routes.

Delivery of the first two planes to UTA will be made in May 1992.

According to the Douglas and two in 1994, UTA has an Reuter, AP).

Fresh orders for Airbus A-340 top \$1.5bn

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

ORDERS worth more than to some \$2bu if the option on \$1.5bu (£930m) for the new is aircraft is confirmed.

Union de Transports Aérien (UTA), the French long-haul international airline, disclosed that it is also a customer for

Show yesterday.

Luithansa, the West German airline, signed a formal contract in the long-range A-340, ordering six aircraft, worth about \$420m, with an option on a further six.

Both the A-330 twin-engined

The orders for the 40 aircraft

Pta30bn from the sale of the ail

craft it will be phasing out. Fu

wholly public owned compa

\$1bn, which could be doubled

Lufthansa is one of the 10 airlines originally claimed by Airbus Industrie as among the launch customers for the A330/A340 aircraft which Airbus said it had received in advance of formal go-ahead for the new yentures. covering a total of 130 Paris Show that British Acroventures, covering a total of 180

aircraft. UTA, however, is one of the two hitherto-undisclosed airline Both the A-330 twin-engined two hitherto-undisclosed airline two hitherto-undisclosed airline customers for the new aircraft.

At an estimated price of medium-range airliner and the four-engined long-range were about \$70m per aircraft, the four-engined long-range were formally launched two weeks the work of the list of buyers so far reached the doubled are the four-engined long-range were formally launched two weeks the could be doubled as a four-engined long-range were formally launched two weeks the four-engined launched two weeks the list of buyers are the list of The list of buyers so far revealed now includes Air France, Lufthansa, Royal Jordanian, prop airliners (or ATPs).

Paris Show that British Aerospace has won an order worth about \$50m from Avline Trading Corporation of Toronto. Canada, for five of the new twinengined. BAe Advanced Turbo

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These are just some of the 17 customers who have already made commitments to buy over 260 Airbus A330 and A340 aircraft. They are the airlines that have recognised the marketing potential offered by these new generation long-haul jets.

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SAIRBUS INDUSTRIE



EXHIBITIONS

The Whitechapel Art Gallery (in collaboration with the Funda-clo Joan Miro, Barcelona). Joan Miro: Paintings and Drawings 1929-41 — a study of the purest and most abstracted of the Surre-alists through the period of transition from his earlier, directly figurative work, to the final con-firmation of his mature and most characteristic manner. Daily except Mondays until April 23 sponsored by Citicorp/Citi-

The Hayward Gallery, Leonardo exhibition ever staged of the drawings of Leonardo, including 88 from the Royal Library at Windsor. The full range of his interests is covered - imagina-tive, anatomical, botanical, math-ematical, geographical, mechani-cal - and the show concludes als, including a full-scale recon-struction of his flying-machine. The sponsors, IBM, contribute a number of computer studies and projections of some of his other works and schemes, including an analysis of the perspec-

Grand Palais. The French Revo lution in Europe. A vast exhibi-tion organised by the Council of Europe tries to situate the French Revolution in the social and political context of Europe as a whole. Over a thousand paintings, sculptures, engravings, objets d'art and everyday objects lent by 15 countries retrace the pre-revolutionary splendour of European courts and the aristocracy as opposed to the laborious life of the peas-

symbol of the Revolution, is richly documented, as is the political influence of artists who, by representing the harces of antiquity indirectly bestowed the Roman Republicanvirtues on an idealised contemporary reality. A visual representation of the Human Rights Declaration becomes a cornerstona of the revolutionary lconography. Closed Tue. Late opening night Wed. Ends June 26 (42895410). Grand Palais. Paul Gauguin. Coming after Washington and Chicago, 250 works from all over the world form an important retrospective of the legendary peintre maudit, influenced at first by the impressionist Pissarro and later by Degas and Cezanne. The powerful personal-ity of the self-taught artist rap-idly asserts itself. The combination of japanism and primitivism expressed in glorious pure col-ours and the grave sensuality of his large Tahiti canvases revo-lutionised the artistic scene of his time and inspired the avant-garde movements of the early 20th century. Until April 24, closed Tue, late closing night Wed (42 96 58 80). The Loovre. The glass pyramid, built by LM. Pei, the Sino-American architect, has opened to the public as a dramatic entrance

o one of the world's most famous museums. Erected as a medieval fortress in 1204, the Louvre later expanded into a renaissance royal palace only to be turned into a museum in revolutionary 1793. Since then, the modernisation of the muse um's infrastructure became a matter of utmost urgency and the pyramid's centralising role is an important step towards the completion of the project of the Grand Louvre planned for 1995. It will involve the moving around of 800 of the exhibits, but the three stars — the Mona Lisa, the Victory of Samothrace and the Venus de Milo will remain firmly in place. Open 9am-6pm, Mon and Wed until

9.45pm, closed Tue. Musée Jacquemart-André. Russian historical costumes. Leningrad's Hermitage Museum has lent 200 exhibits from its treasure trove of historical costumes dating from 1700 to 1914. Richly embroidered court dresses, gold on red velvet or silver oo silvery brocade vie with the gracefulness of French-inspired lines of a white muslin dress. There are uniforms, sacerdotal robes and

swissair 7

Notice to Holders of

the Warrants of the

8% US\$ Bonds with

of Swissair Finance

At the Annual General Meeting of Shareholders of Swissair to be held on April 27, 1989, the Board of Directors will propose

Dividend-right Certificate for every 10 securities outstanding of

and published as soon as possible. The new securities rank for

an increase of the share capital by offering one new Bearer

each respective category. The issue price will be fixed later

In connection with this capital increase, the holders of the

Warrants of the 8% US\$ Bonds with Warrants 1984-91 of Swissair Finance (B.V.I.) Limited should note that

a) the Warrants can be exercised into Bearer Shares cum

b) the exercise right of the Warrants will not be exercisable during the period from April 20, 1989 up to and including

c) the exercise price will be adjusted on May 22, 1989 and

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servants' fiveries, there is the exotics of peasants' colourful clothes. Some 50 portraits com plete the exhibition, 158, Bld Haussmann, 12 noon-6.30pm; ends May 31. Musée des Arts Decoratifs. The intimate world of Alexander

Calder. some 300 works, most of them gifts to family and friends and, as such, exhibited for the first time, show the inventiveness and sense of humour of the sculptor. Tins are turned into birds and twisted wire catches the likeness of a friend, while a miniature circus is created from bits and places in a riot of playfulness. Ends May 21. Closed Mon and Tue (42603214) Musée d'Orsay. Paul-Emila

Miot's photographs from Tahiti 1869-1870 show the melancholy reality behind Gauguin's dream of an exotic paradise. Closed Mon, ends April 23 (40494814).

Van Gogh Museum. Prints, drawings and gouaches illuminate the work of Gauguin's followers.

Amsterdam

Palais des Beaux-Arts. Art Deco in Europe. Tues-Sat, closed Mon. Ends May 28. Ends May 28.

Musée Royanx d'Art et d'Histoire. Tibet — Terror and Magic,
sculptures and paintings of lamaist gods on loan from the Musee
Cuimet, Paris. Closed Monday
ends May 14 (733.9610).
Banque Bruxelles Lambert.
Women at the Time of the Women at the Time of the French Revolution – daily, ends May 15. Galerie CGER. The Heritage of the French Revolution

Frankfurt

'Je Suis le Cahier', the sketch-books of Picasso. This exhibition of 40 sketchbooks and around and sponsored by the American Express company, will have its second stop here in Frankfurt on the European tour. These fas-cinating sketchbooks, owned by Picasso's family have never been shown in public before. All styles and periods in his working life are represented here. These books cover around 70 years of his life; his start in Spain of the turn of the century, the cubism period before the First World War, and followed

by the period from 1920 to 1965. In the sketchbooks there are his most famous works as Damoiselle d'Avignoo (1907), and the Swimmers (1918). Ends May 28. Schirn Kunsthalle und Kunstver ein, Am RömerbergProspect 89. Peter Weiermair director of Frankfurt's arts association has again chosen a wide variety of artists with around 80 painters 89. The gallery of the Schirn Museum, gives the visiter the opportunity to follow the artist's creative development. Among ley and well known Robert Man-gold, Donald Judd, Elisworth Kelly. This exhibition also includes some performance art based on the ideas of the artist Richard Artschwager, Kunstver ein presents works with special themes with pictures by Fren-cesco Clemente, Leon Golub, Franz Wanner and Mike Kelley. Scott Burton, shows two stone seats Ian Hamilton Finlay with 12 heavy stones under the title

her photographs and picture text montages. Ends May 21.

Fritz Koenig, 35 sculptures worked in iron, 70 script pictures and 80 drawings by the German artist Fritz Koenig, born in 1924 are exhibited until May L Akade mie der Künste, Hanseatenweg

of "The present order is the dis-

Kruger is the exception with

Willi Baumeister (1889-1955). To commemorate the 100th anniversary of the German abstract artist's birth there are 140 works from all periods of his working life to be seen until May 28. lgalerie, Potsdamer-

The Bawag foundation, run by the Bank für Arbeit und Wirt-schaft in the beart of Vienna is exhibiting works by the young Austrian painter, Kurt Welther. One of his hallmarks is his sympathetic evocation of provincial-ism. Ends May 6. Museum for Applied Arts. Austria's rebellious artists of the 1960s have their onw exhibition here entitled, Aktionsmalerie-Ak-

May 15. ion. There is always some

The London Philharmonic, conducted by Simon Rattle, Bou-lez, Dutilleux and Mahler (Fri)

Royal Festival Hall (928 8900). London Symphony Orchestra, conducted by Rafael Frübeck de Burgos, with Louis Lortie (piano). Beethoven, Ravel (Sun)

Barbican Hall (638 8891). Boyal Philharmonic Society,

conducted by Sir Neville Marri-ner, with the Academy and Cho-

rus of St Martin in the Fields. Berlioz, Britten, Mendelssohn, (Mon) Royal Festival Hall (928

8800). English Chamber Orchestra, conducted by James Judd, with

Natalia Gutman (cello). Tchal-kovsky, Bartok (Tue) Barbican

Debussy, Ravel, and Berlioz. (Wed) Royal Festival Hall (928

Royal Philharmonic Orchestra, conducted by Jean-Bernerd Pom-mier, with Cécile Ousset (piano). Debussy Rayel and Berlioz.

Paris Isaac Stern, Jean-Pierre Rampal,

Mstislav Rostropovitch: J.-C. Bach, Telemann, Haydn, Mozart (Mon) Salle Picyel (45638873). Ensemble Orchestral de Paris

conducted by Arpad Gerecz, with Arleeu Auger, soprano: Sibelius, Britten, Schubert (Tue) Salle

Britten, Schubert (Tue) Salle Gaveau (45632090). Berliner Symphoniker conducted by Claus Peter Flor, with Margar-etMarshall, sonrano. Mahler (Wed) Chatelet (40282828). Orchestre de Paris conducted by Semyon Bychkov: Mozart, Shostakovitch (Wed, Thur) Salle

Knchl Quartett. Webern, Schoen-berg, Haydn. Musikverein (Wed), Wiener Kammerorchester, con-ducted by Herbert Pripopa. Cima-rosa, Vivaldi. Konzerthaus (Sat,

Gustav Mahler Jugendorchester, coodocted by Claudio Abbado. Janacek, Mahler, Stravinsky.

Pleyel (45630796).

Musikverein (Mon).

Hall (638 8891).

on show here. But it is also worthwhile to go downstairs and see Klimi's Beethoven Frieze, which has been restored to its original place. The Secession home of Vienna's fin-de-sieck painters, has been wonderfully

The Kunstforum, a new art galthe Leopoid collection, a Vien-nese who bought several paint-ings by Egon Schiele, one of the leading lights of Vienna's fin-desiecle, for next to nothing in the 1950s. There's are some wonder-ful Klimt sketches and Kokoschkas. Well worth catching. Ends June.

Palazzo Braschi. Views of Rome by Giambattista Piranesi: 93 ny Giamoatusta Piranear sa engravings by Piranesi and con-temporaries (including his son, Francesco and his maestro. Giu-seppe Vasi) covering the years 1745 to 1778 at a magical period in the city's history, when deco-rative additions to the baroque city such as the Trevi fountain and the flight of steps from Trinita dei Montito Piazza di Spagna had only just been completed, and a mere 100 or so years had passed since Bernini had complated the two fountains and the colonnade in St Peter's Square. The exhibition opens with the exquisite map of the city engraved by Gian Battista Nolli in 1748, beneath which Pira-net has drawn the founder of nesi has drawn the facades of S. Maria Maggiore, S. Croce in Gerusalamme, and the symbol of Christian Rome, St Peter's. Piranesi stands out from his con tempories for the innate dra of his engravings, this quality becoming ever more pronounce until the cool, analytic approach taught by his mentor Vasi, loses out completely to the romantic and poetic side of Piranesi'a nature: note his engravings of the interior of the colosseum (1788) and the temple of Minerva Medica. Uotil April 25.

Pierpont Morgan Library, Master drawings borrowed from Hol-land's oldest museum, the Teyler in Haarlem, focuses on work by in Haariem, locuses on work by Michelangelo, Raphael, Golzius, Rembrandt and Guercino among 100 pieces from the 16th and 17th centuries. Ends April 30. Museum of Modern Art. In advance of its arrival at London's

Organ Recital by Herbert Tach-

ezi. Franck, Liszt, Brahms, Schmidt, Reger, Konzerthaus

CologneBeethoven Special with Peter
Serkin (piano), Gidon Kremer

(violin). Yo Yo Ma (cello) and the Baden Baden Radio Orches

tra under Michael Gielen, Bee-

thoven. Philharmonie (Sun).

Vlenna Symphony Orchestra

Beethoven, Brahms and Rayel.

Charles Dutoit conducts the

Charles Dutoit conducts the Royal Concertgebouw Orchestra, with Chio Liang Lin (violin). Chausson, Tchaikovsky, Ravel (Fri, Sat matinee). Royal Concertgebouw Orchestra conducted by Charles Dutoit, with Ronald Brautigam (piano). Bernstein, Stravinsky, De Falla (Thur). Concertgebouw (718 345).

Philharmonie (Wed).

Hayward Gallery in November, the first retrospective of the work of Andy Warhol since 1970 surveys all his work from the 1950s, covering the Campbell'a Soup cans, silkscreens on canvas of Elvis, Jackie Kennedy, Marilyn Monroe and other movie stars, disaster paintings and numerous self-portraits, Ends

Washington

National Gallery of Art. Cezanne: the Early Years. Already seen at London's Royal Academy of Art and the Musée d'Orsay in Paris, the exhibition comprises 65 oils and 35 draw-ings showing Cézanne's proto-im-pressionist techniques from 1859 to 1872, Ends April 30.

Art Institute. As part of a national tour, 67 rare ancie Greek sculptures, bronzes, and painted terracotta trace the development of the human form in art from the tenth to the fifth centuries BC. Ends May 7.

National Museum. Screen Paint-ings of the Muromachi Period (1234-1573). The Muromachi Period corresponds to the Renais sance in Europe and much of its art was produced under the influence of Zen Buddhism and of Chinese ink painting of the Sung and Yuan dynasties. Landscape, birds and flowers are among the favourite subjects and this exhibition includes works by such masters of the genre as Sesshn and Kano Moto nobu. Closed Mondays. National Museum of Western Art. Masterpleces from the Vatican. A somewhat random selec-tion of paintings and sculptures tion of paintings and sculptures, chosen to demonstrate the devel-opment of western art from ancient Greece to the Renais-sance as well as to present the architecture of the Vatican itself. Closed Mondays. National Museum of Modern Art. Odilon Redon, A major ret

rospective featuring more than 200 paintings, prints and drawings by the great French Symbol-ist, ettractively arranged by subapparitions etc) rather than chro-nologically. Most of the works are from public collections in Japan or from the Ian Woodner Family Collection in New York.

lect matter (monsters, ang Closed Mondays.

Brahms and Chopin. (Wed) (393304) Teatro Olimpico. New York

(247 7800).

by Joseph Flummertelt, Havdn Württemberg Chamber Orches-tra and Maurice Andre (trumpet) conducted by Joerg Faerber, Bach and Telemann, Philhar-(Tue) (874 6770).

Washington

Rotterdam James Conlon conducting the Rotterdam Philharmonic, with Emmy Verhey (violin). Bee-thoven, Mozart, Dvorak (Fri). Doelen (413 2490).

Cheryl Sinder, soprano recital accompanied by Irwin Gage, Tea-tro alla Scala. (Mon) 809126.

Chamber Orchestra of the USSR playing Mozart, Paganini, Bach and Bartok, conducted by Viktor Tretiakov (Fri). Auditorium in Via Della Conciliazione.
Chamber Orchestra of the USSR conducted by Chieften Mandeel. conducted by Christian Mandeal. Mozart, Beethoven, and Strauss (Sat, Sun, Mon, Tues) 6541044. Jon Kimura Parker, piano

Murray Perahia piano recital

Beethoven, Rachmaninov, Schu-mann, Liszt, Carnegie Hall (Mon) Prism Orchestra conducted by Robert Black, Duprey, Sladek, McKinley, Merkin Hall (Tue) (362 879). New York Philhermonic con ducted by Klaus Tennstedt with New York Choral Artists directed

e. Avery Fisher Hall (Tue) (874 8770).

Boston Symphony conducted
by Sejii Ozawa with Anne-Sophie.

Mutter (violin). Cage, Stravinksy,
Debassy. Carnegie Hall (Wed.

Washington
National Symphony Orchestra
conducted by Pinchas Zukerman.
Mozart, Vivaldi. Kennedy Center
Concert Hall (Tue) (254 3776).
National Symphony Orchestra
conducted by Mstislay Rostro
povich with Vladimir Ashkenazy
(piano). Dvorak, Ravel, Brahms.
Kennedy Center Concert Hall
(Thur) (254 3776).

Chadamin Trio. Haydn, Debussy, Brahms. Orchestra Hall (Mon)

 $(435\ 0012)_{-}$ (435 0012).
Chicago Symphony Orchestra
conducted by Michael Tilson
Thomas with Dale Clevenger
(born). Haydin, Ives. Orchestra
Hall (Tue) (435 0012), and also
with Emanuel Ax (plano). Ives.
Brahms. Orchestra Hall (Thur)
(435 0012)

(435 0012). Tokyo

Eeva Koskinen (violin). Sibelius, Bartok, Schubert. Casais Hall (Mon) (011 861 5371). Tokyo Philharmonic Orchestra, Toxyo Phintarmone Orchestra, with Eva Lind (soprano) conducted by Miguel Gomez-Martinez. Donizetti, Rossini, Puccini, Verdi, Bellini. Suntory Hall. (Tues) (505 1010).

THEATRE

London

Prente Ovejuna (Cottesloe).

Wonderful production of Lope
de Vega classic by Cheek By Josel
director and designer Declan
Donnellan and Nick Ormerod. The best National production in this venue since the Bill Bry-

den company. April 7-12, May 3-6 (928 2252). Bed (Cottesloe). Imaginative reverie for old codeers in pyjamas and a sleeping den as big as the Great Bed of Ware itself. The delightful and unusual proceedings are scripted by Jim Cart-wright, directed by Julia Bardsley. April 13-19, April 26-May 2 (928 2252).

Hamlet (Olivier). This picturesque Renaissance revival by Richard Eyre for the National Theatre is a disappointment. though Daniel Day-Lewis may improve with experience in the role. Judi Dench is a muted Gen-trude, Michael Bryant a superbly trude, Shehase bryant a sub-busy and dangerous Polonius. Fullish text, but no emotional or intellectual fire. April 12-15, May 2-8, 16-18, May 25-June 1

(928 2252). Single Spies (Queen's). The high-light of Alan Bennett's double bill is a comic confrontation between Prunella Scales as Her Majesty the Queen and Bennett himself as Anthony Blunt in the royal picture gallery. Simon Cal-low plays Guy Burgees in a re-hash of Bennett's fine TV film

1166). A Walk in the Woods (Comedy). Alec Guinness and Edward Herrmann in feeble off-duty arms negotiation encounter by Lee Blessing, Guinness, back on the London stage after 10 years, is in subtle virtuoso form as the Soviet veteran of tactical stom Soviet veteran of tactical stoma-walling and no-dealing tricks (930 2578, cc 839 1435). Brigadoon (Victoria Palace). 1947 Lerner and Loswe "heather-scented" Scottish fairytale hit is handsomely revived and wall sung, less firall than expected (934 1977 or 578 2435).

(884 1317, cc 886 2428). Hedda Gabler (Olivier). Juliet Stevenson is energetically wiful in fine National revival using a new Christopher Hampton translation, A full-scale, monumental reading, with European design to match by Bob Crowley. design to match by Bob Crowley. Howard Dayles directs, Norman Rodway is Judge Brack. Performances on April 7-11 (929 2252). Mrs Klein (Apollo). Intriguing chat among the child psychoanalysts in Nicholas Wright's hit transfer from the National, (437 2563 or 379 444).

2663, cc 379 4444). The World According to Me! (Playtonse) Jackie Mason, Jew-ish stand-up comic who revives the near lost arts of scathingly satirical monologue and vaudevillian timing to the London stage for a limited season (839

4401) Henceforward (Vandeville). Ian McKellen and Jane Asher in bleakly funny and experimental Alan Ayckbourn comedy of future shock and strained marriage. A tale of obsession, devo-tion, women as robots, ganga on the streets and a tug-of-love

Rotterdam Evita the original Broadwa

(413 3490).,

Mew York

Shirley Valentine (Booth): Pauline Collins brings her West End triumph to Broadway in Willy Russell's amusing and touching story of a Liverpool woman's awakening in the Aegean Sea. Simon Callow again directs without smoothing any of the Northern English edges that retain an authentic touch. Jeruse Robbins' Broadway (Imperial). Anyone attracted by the notion of a three hours of film trailer previews will adore this compendium of Robbins' directed and choreographed plays of the past 40 years, including On the Town, West Side. Story and Gypsy. The lustre of the credits is dimmed by the hrevity of each piece, with a contemporary crew of Broadway aspirants who lack the multi-talents that inspired the heyday of the musical. Rumours (Broadhurst). Nell Simon's latest comedy is a self-conscious farce, with Simon's latest comedy is a self-conscious farce, with numerous slamming doors and lots of mug-ging but hollow humour that misses as often as it hits. Chris-

tine Baranski leads an ebullient cast in the inevitable but disap-pointing hit.

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Cats (Winter Garden). Still a sell-out. Trevor Nunn's produc-tion of T.S. Silot's children's poetry set to music in visus tarting and choreographically

feline (239 6262). A Chorus Line (Shubert). The A Chorus Line (Shither). The lengest-running musical in the US has not only supported. Joseph Papp's Public Theater for eight years but also updated the musical senre with its backstage story in which the sough are used as subditions rather than

anations (239 5300).

Les Misérables (Broadway). The magnificent spectacie of Victor Hugo's majestic sweep of history and pathos brings to Broadway lessons in pageantry and drama (239 6200). He and My Girl (Marquis). Even

if the plot turns on ironic mim-icry of Pygmalion, this is no clas-sic, with forgettable songs and dated leadenness in a stage full dated leadenness in a stage full of characters. (947 0083). Mr. Butterfly (Eugene O'Neill). The surprise Tony winner for 1988 is a somewhat pretentions and obvious meditation on the true story of the Franch diplomat whose long-time mistress was a male Chinese apy (246 0230). Phantom of the Opera(Majestic). Stuffed with Maria Ejornson's gilded sets. Phantom rocks with Andrew Lloyd Webber's haunting melodies in this mega-translodies in this mega-trans-

Paul Robeson (Eisenhower) Tony-award winner Ron Richard-son alternates in the title role with Avery Brooks as the harolc American black singer, enter-tainer and civil rights activist in this new musical. Ends April

30 (254 3670). -Driving Miss Daisy (Brian Street). The touching relation-ship between a dowager, played in this production by Dorothy Loudon, and her black chaufieur exposes the changes in the South

over the past several decades (348 4000). Steel Magnelias (Royal George). Ann Francis and Marcia Rodd

ann Francis and States Room play the leads in this view of southern life from under the dry-ers in a busy hairdressing estab-lishment (988 9000).

7. 7.

Tokyo Kabuki. At the National Theatre (265 7411). Shinsarayashiki Tsuki Amagasa (O Tsuka's Death) depicts the uneasy relations

between the upper and lower classes in the late 18th century and contains a famous scene and contains a ramous scene in which the leading character breaks a vow and turns back to drink. Among the artists appearing in the 11am mixed programme at Kabuki-za (541 S131) is Living Nation al Treasure Nakamura Utsemon VII. who performs a famous dance siece, Yoshino Yama. In the 4.30pm programme the emphasis is un comedy. Both theatres have informative Enginen language programmes and an earphone guide in English.

Ryvo (The Dragon King) Shimbashi Embujoh Theatre (541 2211). Vulgar but highly enjoyable production (In Japanese and Chinese) in which plot, about a Chinese boy and a Japanese Isherman who loin forces. Evita the original Broadway proveness fisherman who join forces duction with Florance Lacey. to defeat the dragon king, is less important than acrobatics and spectacle: Directed by and star-ring kabuki showman, Ennosuk chikawa, with over 100 members of his own company and of the Peking Opera Company. Nastasya. Benisan Pit (546 2087). Brilliantly conceived and executed adaptation (iu Japanese) of Dostoyevsky's *The Idiol*, directed by Andrzej Wajda and directed by Andrzej Wajda and starring world-famous kabuki actor Tamasaburo Bando in his first ever male role as Prince Myshkin. In flashback scenes he also portrays the lovely Nastasya Filipovna, conveying her fickle charm with a minimum of props and a creat economy. of props and a great economy of gesture. A virtuoso perfor-

mance.
My Fair Lady. Koselninkin Kaikan, Shinjuku (407 8155). Touring
production (in English) of the
classic musical, with James Harrison following in father's footsteps as Professor Higgins.
The Cherry Orchard (in English).
Ginza Saison Theatre (595 0555).
Peter Brook's widely acclaimed
production was first seen in Jean production was first seen in Jean Claude Carriere's French translation in Paris and later in English in New York. The cast includes Brook's wife Natasha Parry as Ranevskaya, as well as Arthur Miller and Norman Mailer's

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Josephine lites

An allegory of life in New York

Andrew Porter reviews the Met's new Salome and an assortment of other operas

The Met's new production of Sul-ome has had a mixed reception. Some likened Jürgen Rose's set to the boiler room of, perhaps, the Titanic, visited by passengers from a colourful fancy-dress ball. To me it seemed tha basement of a great palace, where the drains run down into the city sewer, with glimpses of the glittering salons high above at once an image of psychological potency and an allegory of life in New York

It is a tall, arresting, interesting scene with useful acting spaces. Elements of the present mingle with those from the decade, of Wilde's play and Strauss's opera. It is not illusionistic, but "realistic" in its acceptance of what is really happening. contemporary artists are enacting a fin-de-siècle drama set in Biblical times.

Nikolaus Lehnhoff's production, while undidactic is "critical" in a way to please those who have mixed feelings about the work. It concentrates on the lasting strengths, musical and formal, on what is interesting: passes lightly over what has faded; does not try to be newly shocking. The severed head is unbloody and not heavy - almost a symbolic object. Salome is not crushed beneath the soldiers' shields, (Herod's command "Kill that woman" remains, but no one need execute it, since the girl has already expired). Something of the original is missing, true. But some works are improved by tactful "editing." (That does not mean blanket licence for producers to change things at

Eva Marton acted the title role quite well. Her singing lacked delicacy, refinement, precision. Helga Dernesch and Richard-Cassilly, the royal pair, were incisive and vivid. Bernd Weikl, the Baptist was dull and blaring. Marek Janowski conducted as if he remembered Strausch. ducted as if he remembered Strause's injunction "like Mendelssohn: Elfenmusik." It was not orchestrally thrilling, but the words came through well. This is a more intelligent, more interesting production than most of the Met's. Next season, it's back to Zeffirelli, largely: his new productions of Traviata and Don Giovanni,

A STATE OF S

revivals of his Otello, Bohème, and Turan-

Other new productions for 1989-90 are Fourt (Hal Prince), Rigoletto (Schenk), and The Flying Dutchman (Everding). Carlos Kleiber conducts Traviata and Ovello. Teresa Stratas returns as the three heroines of Trittico. The season ends with three Ring cycles.

An annual Lenten delight in this town has been a Stradella oratorio put on by Louise Bashas in her Music Before 1800 series: a Sunday-afternoon series of high merif, given in a small, pleasing church, just north of Columbia University. In 1965 it was San Giovanni Battista, an 'earlier Salome. (Callas once took the role of Hero-dias's Daughter.) This year, Santa Pelagia, an earlier That's, with touches of Manon.

The World entices Pelagia, a lovely country maiden, to the city, where she soon glories in her beauty, her jewels, her hundreds of admirers. The World then challenges her to seduce the saintly Bishop Nonnus; but at Nonnus' grave reproach she embraces, instead of the bishop, a life of penitence and prayer. J. Victor Crowther, who edited the score for its first modern performance (at Loughborough, in 1981), has plausibly proposed that the oratorio was created in Queen Chris-tina'e circle, perhaps in 1673. Stradella's music is fresh, beautiful, sur-

prising. Recitative ran take startling turns. Aria forms are free and various. The rhythms dance. The performance was clearly and truly sung, but a triffe staid. Marion Beckenstein, the Pelagia, seemed to be "singing in church" – as of course she was, but in a score that does not underplay the beroine's glorying in the Antiochene pleasures she later renounced. Gluck's *Telemaco* has been given its American premiere by the Pro Arte Chorale, an adventurous New Jersey chorus. This, a fascinating piece, which comes between Orfeo and Alceste, has by some heen considered a reversion to "unreformed" opera seria. It seems more an attempt at reforming open serie of the Alcina and Armida kind - retaining the magic but improving the music, adding directness without the drastic new procedures of Orfeo. consolidating before Alceste. It is a beantiful piece. Carmen Pelton and Julianne Baird were a good Circe and Asteria, and Derek Lee Ragin was fairly good in the title role (composed for Guadagni, the first Orfeo). Bart Folse's

conducting, with a pick-up Baroque band, was a bit heavy.

The New Jersey State Opera and its music director Alfredo Sflipigni make a speciality of verismo opera and regularly draw enthusiasts for it access the Hudson. draw enthusiasts for it across the Hudson: the PATH subway train to Nawark at opera time becomes something like an opera special Last year the company did Mascagni's Zazā and Iris, which I reviewed in these pages, and this year his Zanetto and Lodoletta.

Zanetto and Lodoletta.

Lodoletta, drawn from Ouida's Two Little Wooden Shoes, is not one of the composer's strongest works. But the subject was one that Puccini long coveted, until he ceded it to Mascagni: Parisian painter wins the heart of a little Dutch girl, who walks all the way to Paris in the little red clogs he gave her, and expires in the snow outside his salon where he is giving a party. Coming out for a breather just too late, he lights upon her little corpse.

Touching tale. If the New Jersey show was less than moving, it was because the company departed from its usual practice of engaging a veteran versed in the style
- Magda Olivero as Fedora a few years ago, and last year Adriana Maliponte as Iris. (It was in Newark that I heard Licia Albanese's moving Liù, long after she had stopped singing in Manhattan.) Maria Spa-cagna, the Lodoletta, is a charming young American soprano, who made much of the finale, but she is no sacred monster. Peter Kelen, the Hungarian Flammen, had a pleasingly open tenor, with pure vowels, but he was no actor.

Nevertheless, it was a fascinating even-ing. Newark may perhaps be the last place left in which to see "authentic" verismo stagings. The sets were from the Roman warehouse Sormani and may well he those in which Bellincioni, Gilda dalla Rizza, Toti dal Monte once sang. (Sormani sets

for Forza now owned by the Seattle Opera are replicas of Ferrario's for the Scala pre-miere of the opera, with miracles of painted illusion undreamed of today). There was more verismo in New York

when Eve Queler presented Giordano's Fedora in Carnegie, with Eva Marton as its heroine. She was miscast: heavy reading her music off a score. Queler's next show was Bellini's II pirato, in which Aprile Millo gave an intelligent and accomplished account of the heroine. Giuaccomplished account of the heroine. Giuseppe Morini as the eponymous hero, roused mixed feelings as he ascended to numerous high D'e alternating between gentle head voice and trumpet blare from the chest. The programme-note spoke of his "similarity in style to Ruhini," but Chorley's phrase for Rubini, "honeyed elegance," was scarcely applicable. The baritone Paolo Coni, sometimes hailed as the new-generation successor to Campucilli tone Paolo Coni, sometimes hailed as the new-generation successor to Cappucilli and Bruson, was OK but not the cat's whiskers: splendid sound, not the necessary velocity of articulation.

Mannes College put on a captivating double-bill of Donizetti's Rita and Rossini's Locasions fa il ladro, comic operas three

decades apart but linked in their fresh and masterly employment of comic-opera con-ventions. The production of the latter was ventions. The production of the latter was more fun than Ponnelle's wildly overelaborated Pesaro production. A Kenyan soprano. Ciru James, Guildhall School trained, was a delightful heroine, and in the tenor lead Rodrick Dixon revealed a naturally sure and beautiful voice, effort-lessly emitted, that, with careful guidance, should take him to the top.

In Avery Fisher Hall, Daniel Barenboim conducted the Orchestre de Paris in a Tris-

m Avery Fisher Hail, hantel Barendoim conducted the Orchestre de Paris in a Tristum Act II that made one fear for the future of the Chicago Orchestra under his forthcoming direction. The Paris orchestra, once virtuoso, sounded workaday. Hildegard Behrens was an impassioned Isolde. Gary Lakes was a dull, conscientious Tristan, a lump whom Behrens could not animate. Barenhoim evidently knows not animate. Barenboim evidently knows how he wants things to go, but he doesn't seem to hear how things are actually

QUEEN ELIZABETH HALL

At Miss Uchida's tempi,

Schumann'e Fantasy in C easily filled the first half of her recital on Wednesday. I've not

heard the passionate opening

movement so stretched out since a (very interesting) per-formance by Julia Cload, Uch-ida lavished dramatic ruhato

upon it, starting even with the sweeping main theme - where she read Schumann's notation

literally as wanting no sus-tained basses - and later soft-ened the dotted-note calls-to-at-

tention in favour of extra lingering at byways. The cen-tral "legend-style" section, at-unexpectedly strict tempo, seemed an alien insertion.

In the middle movement she

sparkled transparent part-

the ultra-hazardous coda taken

with flair and daring. The con-

The Philharmonia is giving

four concerts in nine days at

the Festival Hall, three of them

as part of the Adrian Boult cel-ebration. Wednesday night'e was the odd one out - Ber-

Roméo et Juliette

playing in the long crescence

Mitsuko Uchida



Bernd Weikl and Eva Marton in "Salome"

Orlando, brought hy Christopher Hogwood's Academy of Ancient Music - a New York stop on his *Orlando* tour of America. Knockout! Emma Kirkby (Dorinda) in fuller voice than I've ever heard her. Lynne Dawson (Angelica), Catherine Robbin (Medora), David Thomas (Zoroastro) at their best. Also James Bowman, in the title role, right back on form. An unusual placing the band right at the back, in a long double row, like an 18th-century pit band, a harpsichord and double-bass at each end; Hogwood on a chair directing; the singers frontstage, with plenty of space to move around in a "sem-

Finally, also in Fisher, Handel's istaging." Splendid sound - for the first time I had no complaint about Fisher acoustics – and a very good performance.

Orlando is no rarity here: Nick McGegan has directed it in Baroque style, with Drew Minter the hero. Peter Sellars's exciting space-mission and Florida Everglades staging had a months-long run in Boston. In

Handel year. Carnegie put on an all-star version, with Marilyn Horne in the title role, and she sang it subsequently in San Fraocisco and Chicago productions by Copley. The Academy version added something: a stylish command of Baroque prac-tice, from both singers and players, seldom achieved by American groups.

composés," a gorgeons "Agré-ments," a technically superh "Notes répétées" spiked with mischief, if the "Octaves" had

only a qualified élan, it gripped

through incisive detail. The switches between sharp

whimsy and limpid stillness in

the "Quartes" were raised to

higher tension in the final "Accords," terrific thrust against exquisite suspension.

Altogether Miss Uchida seemed to have struck an ideal

trade-off between virtuosity

and selfless concern for musi-cal sense, between a live, per-

sonal stamp and falthful re-creation of late Dehussy's musical

thought. Which is still under-

rated - hut there is an Uchida

David Murray

recording on the way.

Romeo and Juliet

SWAN THEATRE, STRATFORD-UPON-AVON

If Trevor Num's original idea about the Swan was to explore the repertoire and reinvent the rhetorical manners of the Royal Shakespeare Company, the first production at this year's snow-swept summer festival at Stratford-upon Avon challenges his legacy on both counts. A mainstream war-horse has been served up in much the same old way. Terry Hands's revival bodes

ill for what is, on paper at least, an unexciting season. The RSC Stratford reperiodre, or the first half of it promises no stars and no risks. It is characteristic of the RSC's current artistic timidity that Juliet should be a promising novice. Georgia Siov first stab at the role last year was with Temba touring com-pany in an imaginative reloca-tion of Shakespeare's Verona in 19th century Cuba. In Stratford on Wednesday

night, the accent was on youthful fire being quenched by adult interference, not on the warring of two houses. The second half became a procession of adult complaint articulated in a dusky twilight. The scene between Peter and the musicians is scuppered by the insertion of some Farrah mansoleum bars and railings onto the stage that is supposed to be its own scenic explanation.

After the initial inandible rumble on the streets, which leaves the audience not knowing who anyone is, the brash skirmishee assume a reasonably pulsating temperature. Mark Rylance, feeding something of Hamlet (which he gives on the main stage later into Juliet's tomb by flattening this month) into the lovelorn Paris (Michael Howell) with



Mark Rylance and Georgia Slowe

Romeo, is a melancholic, tearful reject very much apart from his fellows. He has zest and amatory zeal, and an ath-letic prowess which comes in handy for scaling garden walls, shinning down a rope and, most notably, fighting his way into Juliet's tomb by flattening

vicious weaponry. First sight of the Swan, a house of wrap-around balconies, prepares yon for the romantic encounter, one of the top balconies festooned with hanging greenery. It is a joy to see this scene played in a truly unfettered architectural dimension, and on a bare stage, too.

Here at least is a positive use of the scaled-up intimacy the Swan can offer. Otherwise, the fights and dances are very much as you would expect to see them.

Rylance is a much improved verse-speaking actor, but much of the play whizzes around him in shouts and alarums unattached to any scrupulous investigation of meaning. The approach only pays off in David O'Hara's mesmerising Mercutio, whose Glaswegian growl transforms the dire challenge "Tybalt, you rat-catcher" into a cue pregnant with disaster. O'Hara literally explodes into his own death, having energised the Queen Mab eech way beyond the

poetic intonations. We never really know where we are. The Chorus, doubled with Escalus by Roh Heyland, opens the action in a white floppy suit. The Capulets have an Oriental hrutality about them. But then Margaret Cour-tenay's Mummersetshire Nurse ambles on dressed in an extraordinary range of outsized Laura Ashley with a Statue of Liberty bonnet. This Nurse certainly gets over the nasty side of her bigamous proposal, but the street goosing by Mercutio,

The Capilets of Bernard Horsfall and Linda Spurrier are devoid of any investigative nuance, and Patrick Godfrey is an adequate Friar. You just feel that no one has

thought very hard, or for very long, about what they are doing. Or, indeed, why. Michael Coveney

for instance, is terribly artifi-cial, though funny.

lioz'e Romêo et Juliette con-ducted by David Atherton. It found the orchestra more alert than for Andrew Davis earlier in the week; much of the playing had character and a fine grain, and there were a number of passages when the evening promised to hlossom into a truly memorable occa-sion. Atherton's attack upon the Introduction, full of it was followed by fine contri-butions from Alfreda Hodgson in the Prologue and Strophes a little tremulous but beautifully measured and accented - and from the London Voices taking the semichorus. Performances of Berlioz's dramatic symphony are infrequent enough to require every one to

elnding Langsom getragen,

however ("long drawn ont"

would be an unfriendly translation), was virtually immobile

until the coda. Not inert, for Uchida invested all of it with tremulous feeling; hut one could be fascinated and still

regret an overall excess of

regret an overall excess of close-focus sympathy over forward drive. Her tenderest insights might be accommodated heautifully in eight or ten minutes less playing time. The rest of the programme consisted of Debussy's twelve Etudes, which were literally marvellous. Miss Uchida's energy, grace and teeming imagination have never been

imagination have never been

better found. Faced with the

extraordinary range of

Debussy's plano-inventions.

be something special and that feel was there at the start. Afterwards, however, the focus seemed to go, despite deft work from Philip Langridge in the Scherzetto and some nim-ble accounting by the Philharmonia in the Queen Mah urgency and pinpoint co-ordination, could have set the tone; music. The great orchestral set pieces, "Romeo alone" and the

Love Scene - the crux of the symphony, as David Cairns's marvellously readable and enlightening programme notes emphasised - failed to get across the necessary emotional weight. The upwellings that should carry the Adagio to ever greater intensity fell back on themselves; Atherton's shaping was insufficiantly rapturous, his rubato not communicably expressive, and the sound of the Philharmonia's strings simply too impersonal.

through, but hers seemed inex-haustible; the "Sonorités oppo-

sées" alone was a sumptuous

canvas in mnlti-level hues,

deep and haunting. None of

that was mere colour-effect, for it served, like her teasing vari-

ety of pulse and rhythm - lia-

hie to spring an unexpected idea with a master-conjurer's smooth suddenness - to map a

train of thought with dazzling

Here, even the moments of

"uchidisation" (a penchant for making quick finger-passages a touch whiter and brighter than

is strictly called for) had vital purposes. Usually witty, as in

the "Degres chromatiques:"

often one recognised the delight Debussy took in vaude-

vine turns. Such thin

precision

most pianists would exhaust much more, contributed to a

their paint-hoxes halfway grandly glittering "Arpèges

The decision to put an inter-val after the Scherzo hardly helped to maintain tension: Roméo et Juliette is emphatically a symphony and not an oratorio, and no longer than

some Mahler works in which a break would be unthinkable; why then here? The remainder was efficiently delivered -Goldsmiths Choral Union supplied the chorus in the third part; Friar Laurence was sung by David Wilson-Johnson. Anyone who heard his thrilling account of the part under Roger Norrington in last year's "Berlioz Experience" will have looked forward to a repeat, but here he sounded under strain and histrionic in his attempts to inject dramatic pace into the proceedings. By then, though, that was already a lost cause.

Andrew Clements

ARTS GUIDE

Notice to Bondholders and Warrantholders of

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7th April, 1989

OPERA AND BALLET

Royal Opera, Covent Garden. La ciemenza di Tizo, one of the Royal Opera's most admired Mozart productions of the postwar period, returns with its original conductor, Colin Davis. Stuart Burrows takes the title role. Luchino Visconti's famous 1958 production of *Don Carles* is given e noble last-ever revival, con-ducted by Richard Armstrong, with a splendid cast including

Samuel Remey. English National Opera, Coliseam. Engene Onegin, an opera not previously given by the ENO at this theatre, is produced by Graham Vick and conducted by Graham Vick and conducted by Mark Elder, with Jonathan Summers in the title role and Marie McLaughlin as Tatyana. More performances of Jonathan Miller's dark, handsome staging of Don Cioconni, with Steven Page in the title role; and of the first-ever Collseum Fulsiaff, produced by Devid Pourdrey.

by David Pountney.

Testro alla Scala. A repeat of Giorgio Strehler's production of Mozart's Don Giovanni, which opened last year's season, conducted by Riccardo Muti. The cast includes Ferruccio Furla-netto, Edita Gruberova, Mariana Nicolesy), Sergej Koptobak, Susanne Mentzer, Claudio Des-deri and Natals de Carolis, Michael Hampe's production of Cosi fan tute, with Daniela Dessi. (80.91.26).

Teatro dell'Opera. The Opera'a ballet company dancing the La Scala production of John Cran-ko's Taming of the Sireu, with Paola Catalini and Raffaele Paganini, conducted by Alberto Ventura (ANITS) Ventura (461755).

Teatro Regio. Alban Berg's Wozzeck conducted by Gunter Neuhold in Claude d'Anna's production, with scenery and costumes by Giantito Burchellaro. David Pittussun-Jemnings sings the title pute. (795578).

Teatro San Carlo. Beppe Menegatti has gathered a splendid cast to celebrate the centenary of the legendary Nijmsky's hirthextracts from *L'apres-mid d'une Faune*, *Le sacre du Printemps, The Sleeping Princess* and *Raymonda*, grouped together under the title, Nijinsky — memories of youth; danced by Carla Pracci and Ekaterina Maximova. (1972412).

Amsterdam

Muziektheater. The National Ballet in Peter Wright's adapta-tion of Petipa's Sleeping Beauty. The Netherlands Opera with Ros-sin's Il Barbiere di Siniglia. designed and directed by Dario Fo. Stephen Barlow conducts the Netherlands Philharmonic, with David Malis as Figaro, Louise Winters as Rosina. (255 455).

Vienna. Volksoper. In repertory: Dis

Zauberflöte conducted by Kourad Leitner; Die lustige Witne con-ducted by Rudolf Bibl; Casî Fan Trate conducted by Sruno Well; Tiefland conducted by Diefried Bernet; La Bohème conducted by Ernst Maerzendorfer: Gast rone conducted by Rudolf Bibl; Kiss me Kate conducted by Konrad Leitner (51444, ext. 266)

Hamburg

Staatsoper. Wolfgang Rihm's opera Die Hamletmaschine, produced by John Dew and premiered last week is an important contribution to the development of modern opera. Fidelio, conducted by Nicolaus Harnoncourt features Ana Pusar. Cav and Pag stars Julia Varady, Giorgio Lamberti, Piero Cappuccilli, Wladimir Atlantow, Natalia Trottskaya and Olive Fredricks. Also in repertory: Harry Kupfer's in reportory: Harry Kupfer's
wholly delightful production
of Belsazar with Helen Donath,
Walter Raffeiner, Harald Stamm
and Carmen Anhorn.

Frankfurt

Opera. Tosca returns with Galina Kalinina in the titlerole, Seppo Duobonen (Cavaradossi), Robert Hale (Scarpia) and Franz Meyer. Der Barbier von Sevilla is well sung by Zehava Gal, Michal Shamir, Bodo Schwanbek, Rodney Gilfry, and FranzMayer. Dido and Aeneas is a well done repertoire performance.

Cologne

Opera. La Traviata brings Maria Spagcagna, Fernando de laMora and Brent Ellis together. Cologne honours the great producer Jean-Pierre Ponnelle, who died last year, by restaging the com-

plete Mozart cycle of seven operas, all produced by him. This week's performance includes. Die Entjilhrung aus dem Serail with a strong cast led by Mariella Devia. Frust, sung in French

April 7-13

rounds off the week. Stuttgart

Opera. Dornröschen has wonder-ful Marcia Haydeechoreography. Andrea Chenier brings Giorgio Lamberti, GabrielaBenackova-Cap, Helene Schneidermann and Raymond Wolansky together. Fidelio has a strong cast led by Lisbeth Balslev. Further offered Die Entführung aus dem Serail and Jenuja.

New York

Metropolitan Opera. Benjamin Britten's Billy Budd continues with Thomas Allen in the title role, James King as Captain Vere and Jan-Hendrik Rootering as ann san-Hennia Rotering as Claggart, conducted by Thomas Fulton. Sumi Jo replaces Hei-Kyung Hoog as Gilda and Leo Nucci continues in the fitle role of Rigoletto, conducted by Nello Santi, Lincoln Center Opera House (362 6000).

Washington

American Ballet Theatre. While Mikhail Barishnikov performs in Metamorphosis on Broadway, his company premieres his new staging of Swan Lake as part of their mixed spring repertoire. Ends April 16. Kennedy Center Opera House (254 3770)

Hamburg Ballet. As You Like It. Tokyo Bunka Kaikan (Wed, Thurs) (369 9999).

SALEROOM

Records for Russian art

Sotheby's continues to have a splendid week. After its record acction of Impressionists on Tuesday, with the British Rail Pension Fund pictures proving that art can be a fine investment, there was a record auc-tion of 20th century Russian art yesterday, which totalled 23.5m, with only 3 per cent unsold. Mr Gorbachev's visit was a

happy promotional co-inci-dence, but there were plenty of Russians in the saleroom, as spectators. The top price, and a record for any 20th century Russian picture, was the £759,000 paid by a private collector for "Composition (Genoa)" by Alexandra Exter. It was completed in 1912 when Exter was travelling in Europe and painting a series of visions of cities. The price was almost

twice the estimate.

Another record was the £473,000 for "Painterly Architectonic" by another woman artist, Liubov Popova, one of the leaders of the Suprematist and Constructivist movements. It was first exhibited in Moscow in 1916. Another painting from the same series realised £374,000, to the London dealer Leslie Waddington who also bought a third from the group for £264,000.

A painting carrying the same title by Ivan Kliun went

to a private buyer for £170,500 while there was a record for a Russian wok of art on paper of £118,000, paid for "Suprematist Composition" by Kasimir Mal-evich. Typical of the good prices at this extraordinary sale was the £137.500 paid by a Swiss collector for "Composi-tion" by Alexander Rodchenko which made £137,500, as

against an upper estimate of £40,000. Christie'e too had something to celebrate, its best ever sale of contemporary art in London, with a total of £4,718,505 and only 5 per cent unsold. There was a splattering of records, most notably the £374,000 paid for a grey canvas with a touch of yellow in one corner entitled "Grand gris signe noir" by Antoni Taples.

Other records were the £187,000 for "Composition rouge, jaune et bleu" by Serge Poliakoff and £165,000 for "T-1956-57," some black swirts on a grey background, by Hans Hartung. A mobile by Alexan-der Calder, 65 inches high, fetched £284.000; and two works went for £209,000 another Calder mobile, this time mostly white, (its title) and a typical Lucio Fontana, a red canvas with six cuts across

Antony Thorncroft

FINANCIAL TIMES

NUMBER ONE SOUTHWARK BRIDGE, LONDON SE1 9HL Telephona: 01-873 3000 Telex: 922186 Fax: 01-407 5700

Friday April 7 1989

The Bretton Woods twins

SQUABBLES HAVE been breaking out between the twin children of the Bretton Woods Conference of 1944, the Interna-tional Monetary Fund and the World Bank. They both wish to play with the debt crisis and, lika children, find it difficult to share their most precious toy. Better behaviour might be

expected of two institutions now in advanced middle age. But it is not that surprising, since both have entered a mid-life crisis. The IMF is in particular difficulty because it has lost its exchange rate empire

and needs a new role.
Following the breakdown of
the Bretton Woods exchange
rate system, the main activity of the IMF has been vis à vis developing countries. Ironically, in the second half of the 1970s the IMF facilitated "recycling" of the surplus funds of oil producers; in the 1980s it found the "debt crisis", itself the fruit of recycling. But the "debt crisis" is no

short-term balance of payments problem, Consequently, the IMF bas found itself increasingly interested in the allocation of resources in developing countries. Mean-while, the World Bank bas learned that project lending is doomed to failure when mar-kets are distorted and public finance is profligate. Overlap between the two institutions is increasingly unavoidable.

For the IMF, retention of a leading role in managing the "debt crisis" is almost a matter of life and death. The World Bank can take a more relaxed attitude, since its principal function — development lending — is in no danger of disappearing. Since the IMF has had by far the more competent leadership in the 1980s (for which appointments to the World Bank's presidency by the US bear the blame), it has also won most of the tussles - as it appears to have done yet again.

Different perspectives

If the Bretton Woods conference were held today, the IMF would probably not be reinvented. But there is merit in the tension between the somewhat different perspectives of the two institutions, neither of

particularly undesirable for a borrower to be allowed to play one institution off against the other or simply to go behind the IMF's back to the World Bank, as is alleged to have happened in the case of Argentina. Bureaucratic lines The IMF's case should be conceded this far, but no fur-

None the less, the advice of these institutions should not

be in direct conflict, since they

developed countries and the highly indebted countries. It is

have become the most important interlocutors between

ther. It is foolish to try to confine the boundaries of eco-nomic analysis within bureaucratic lines. Macroeconomic issues are inextricably linked to questions directly affecting the Bank and resource allocation to issues concerning the Fund. Analytical overlap is not merely mevi table, but desirable.

Moreover, conventional mac-roeconomics is simply not enongh where economic development is concerned. The required time horizon is lon-ger, and specific policy instru-ments, above all those of trade policy, have to be changed radically, an area of prime con-cern to the World Bank.

It would be quite wrong, therefore, for the IMF to be granted clear primacy, particu-larly when its activities in the past few years bave been notable more for propping up the banking system than for rescu-ing indebted countries. Partly for this reason, the IMF is unwelcome in many borrowing countries, while the World Bank has an easier entrée.

The twin institutions are experiencing a reversal of the normal separation of Slamese twins. They must get used to working more closely together without one dominating the other. However difficult this task, there is no practical alter-native. If the IMF proves unable to manage co-operation between equals, policy-makers should threaten it with division of its functions between the World Bank and, in the case of international macroeconomic -co-ordination, the

The reform of legal services

"NO ONE should be judge in his own case," a maxim as old as law itself, is likely to be frequently violated when the House of Lords debates the Lord Chancellor's green papers on the organisation of the legal on the organisation of the legal profession today. Of the 50 or so Lords who will wish to take part in the debate, many are barristers and judges. They will plead the case of the Bar, their own club. Their views cannot be regarded as impartial judicial wisdom.

The crucial proposal of the green papers is a removal of barristers' monopoly of appear.

barristers' monopoly of appearance in higher courts and of higher judicial appointments. and a simultaneous removal of the solicitors' monopoly of the clients who cannot under present rules approach a barrister directly. The solicitors do not seem to mind the loss of their monopoly, but the Bar does.

In the noisy protests of the Bar there is one substantial argument: that a complete merging of the legal profession would leave no specialist freelance advocates available for consultation and court appearance to the smaller generalist law firms, mainly in the prov-inces. It follows logically from this premise that such smaller law firms would be unable to provide adequate servire to cli-ents and would in due course have to merge or close down, thus reducing client choice and the availability of lawyers in

the provinces.

However, the premise is false. Top barristers are unlikely to give up their highly lucrative practice. The beginners might be attracted by the greater security remuneration. greater security, remuneration and - above all - better train-ing they may find in a solici-tors' office, but significant numbers of these disappointed juniors have already deserted the Bar, preferring employ-ment in a law firm or as staff lawyers in a husiness or public organisation.

Barristers' choice

Experienced harristers of varying degrees of ability will bave a choice of whether to stay or to try to find a new home in a law office, which will not be always easy. Surveys conducted by organisa-tions of City solicitors reveal that the majority of their members do not intend to employ barristers and, indeed, many

do not intend to take up advo-

cacy.
Some barristers may join law firms only to return to the Bar later enriched by the experi-ence. Some solicitor advocates may specialise and form small practices available to clients and generalist law firms in the same way as barristers. In this way the allocation of talent and specialisation will be determined by demand, rather than by the availability of tenancies in chambers, nepotism and the impresario-clerks of the chambers.

Free market

This view is reinforced by the US experience. Its rela-tively free market for legal ser-vices produced, without any regulation, a category of expert trial attorneys practising sin-gly or in small firms of op to 10 nathers. They may not be as partners. They may not be as highly specialised as some Lon-don barristers are, but the best of them can hardly be bettered in oral proceedings and their written work is probably better than can be found anywhere. Critics have raised the bogey of governmental interference with justice if advocates are

required to have a proper qual-ification, instead of being "called to the Bar" after a short and sometimes ineffective pupillage, and if the pro-fessional codes of conduct have to satisfy minimal statutory requirements. This belongs to the realm of public relations fantasy. Indeed, the release of market forces would diminish the significance of the patronage which the Government can now exercise by the appoint-ment of Queen's Counsel and judges. These would he recrulted from a larger base and would enjoy a better

Of greatest importance, however, is the opening of the door to further reforms in legal pro-cedure, in substantive law and in the method of lawyers' remuneration. All of these are remuneration. All of these are necessary to reduce the cost and delays of litigation, to encourage early settlement of disputes and to promote the greater certainty of law. Yesterday's announcement by the Lord Chancellor of a five-year plan for the implementation of the Review of Civil Procedure is evidence that the Govern-ment is ready to take the first steps through the open door.

career structure.

Gary Mead reports on the tense political atmosphere in Buenos Aires

ust over a month from now, on May 14, Argentina votes for a new president. The race will be close, and the result will almost certainly leave confusion in its wake. The ensuing squabbles, recriminations and in-fighting will further confirm the malicipurcess of history. confirm the maliciousness of history, one of the world's potentially richest nations will take a further nosedive into Third World status.

Fear of the future haunts the cafes and restaurants of bustling Buenos Aires. Only politicians keep their electoral campaign smiles rigidly fixed in place. The rest of the population is calculating the cost of voting for either of the main candidates, both of them to be the transitions. whom lack the unanimous support of their own parties.

The main cause for concern is that no candidate looks like winning eastly, cleanly or with a handsome majority. Nor do any of the candidates or their party supporters appear genuinely intarested in working towards a government of national

unity or consensus.

The new president will be forced to or the new president will be forced to govarn from a position of minority weakness in the face of almost overwhelming problems. Those include a restless and poverty stricken army; a shattered domestic economy in its most serious recession for a decade; isolation from the International Monetary Fund (MEX) and commenced. tary Fund (IMF) and commercial banks; and, most debilitating of all, cynicism from the two-thirds of the country which voted in another direc-

Between now and December — when the newly elected president is due to take office — Argentina will face its most difficult days since the 1982 Falklands War. Such is the leg-acy of President Raul Alfonsin whose surprising election in 1983 was intended to eliminate both fear and fecklessness.

Currently leading the polls is the Peronist candidate, Mr Carlos Saul Menem. He offers the voter what he calls a "productive revolution," a vacuous promise of improved living standards and restored national self-respect. Precisely how that is to be achieved has yet to be clarified. As such, Peronism's offer is little different from when it last won national power under General Peron in 1973. Peronism is as riddled with internal factional disputes as ever, with the degrading spectacle of a hundred dif-ferent functionaries squabbling with one another over who is best placed to properly and accurately interpret what Mr Menem actually stands for.

As always, what a Peronist leader promises and what he might actually do are two very different things. But the "productive revolution" is likely to include a foreign debt moratorium, greater public spending and a fiesta for trade unions. Those pledging their vote for Peronism do so in a fog of mythology and in a mood of van-geance for what is perceived to be five wasted years under President Raul

Alfonsin of the Radical Party.
But if Mr Menem's promises are
shrouded in log, his main rival for the
presidency - Mr Eduardo Angeloz,
nominated by President Alfonsin for the Radical Party — is battling against an avalanche of already achieved failure. An authoritative opinion poll last week gave Mr Menem 35 per cent and Mr Angeloz 31 per cent of prospective votes, with 23 per cent undecided and the other 11 per cent divided amongst smaller per-ties. Given Peronism's authoritarian nest, its dismal record of managing a large economy and the rapidly dimin-ishing personal credibility of its presi-dential candidate, why is Mr Angeloz failing to romp ahead?

He has made a successful joh out of

running the second most important province, Cordoba. He has an appeal-ing personal image, untainted by



The past catches up with Argentina

rumours of corruption — a remark-able achievement for a contemporary Argentine politician. Yet he will still require a miracle to win aufficient votes to form a majority Radical administration after May 14.

administration after May 14.

The answer is to be found in the indisguisable failure of five years of Radical Party government under Mr Alfonsin. Mr Angeloz'a chances of winning an outright majority were always slim but his party'a daily were always slim but his party's daily were always. worsening economic performance has hrought a slump from its high-tide 1983 popularity to the mud-flats of

near universal contempt.

Mr Alfonsin's most serious failure
is the lost opportunity to unite a volatile and battered nation and insert democratic instincts into its blood-stream. A major army rebellion every six of the last 18 months, increasingly widespread examples of high-level corruption, a failure to implement major economic reforms, provincial governors illegally printing their own money because they are broke and mable to pay wages in national ten-der, have brought the Radicals low. Mr Alfonsin promised to punish all

military officers guilty of human rights abuses under the last military dictatorship. He vowed to professionalise and de-politicise the armed alise and de-politicise the armed forces. He undertook to move the national capital 600 miles south to the small town of Viedma, in order to hreak up the strangulating hold which Buenos Aires has over Argentine political, commercial and administrative life. He promised reform of the state hy cutting massive overmanning and Ruritanian style wasteful overspending. He expressed determination to reach a new and, for Argentina, more satisfactory accord on the country's foreign debt. Most of those tasks have yet to get off the ground. Buenos Aires retains its garotte over Argentine commerce; Viedma is still sleepy, the foreign debt

has grown by more than 25 per cent and this year's due interest payments on its \$60bn (£35bn) will perhaps be more than the country's total foreign While Mr Alfonsin's government achieved a peacefully negotiated set-tlement in 1984 with Chile over the Beagle Channel, the context in which he hands over government further postpones good relations with Britain, formerly one of Argentina's best trad-

formerly one of Argentina's best trading partners. Perhaps his most successful and socially valuable reform
was to persuade Argentine politicians
to pass legislation permitting divorce.
His place in history may owe nothing to any of these matters. His greatest achievement may simply be that
he will be the first democratically
elected Argentine president in six
decades successfully to hand over the
baton to another democratically baton to another democratically elected president.

His failure is that much more surprising because when he took over from a caretaker military dictatorship in 1983 he did so with enormous domestic and international sympathy.

A popular civil president, whose biggest claim to fame had been his work as a lawyer defending human rights activists, made it difficult for foreign politicians to brush aside either Argentina's claim to the Falklands or its pleas for debt leniency. Doors — of the IMF, the United Nations, private

business - began to open.
But Argentina's complicated dis-

ease proved highly resistant to good intentions. A surgeon was called for and Mr Alfonsin is now regarded by a majority of his fellow-countrymen as something of a quack. He looks set to pass on a nation lurching towards ngovernability. Relations with the IMF and com-

mercial banks have rarely been worse. Argentina has paid only \$100m interest on its \$600m foreign debt since April 1988. In reality a debt morsince April 1988. In reality a debt mor-atorium is already in place. Hopes that the IMF — which had already seen agreed fiscal deflicit targets repeatedly broken — would extend a fresh stand-by loan of \$20m, and bank-ers \$30m, have come to nothing. Neither bankers nor the IMF are willing to consider any real moves until they have had a good look at the performance of the next administration. That postpones solutions until 1990, while the economic crisis is unlikely to be that patient.

Only the World Bank, under considerable and the considerable

erable pressure from a Washington anxious to see Argentina remain in Radical Party-bands, conceded a new loan of \$1.25bn in October. Even the World Bank had second thoughts this year, when it suspended disbursement of \$350m related to reforms in the banking and financial sectors. Argentina is now \$2.3bn in arrears, a sum

which grows by \$200m every month.
With more than 400 per cent inflation last year (and a total since March 1985 of 8,400 per cent), real wages cut by 23 per cent in the last four years, interest rates which rarely drop below a monthly 25 per cent. Argentine workers, business and farmers are all considerably worse off than 6 years. considerably worse off than 6 years mony to doubt ago. The austral, the Argentine curhappy ending.

rency, has depreciated sharply since February this year - by 150 per cent. Barely repressed hyper-inflation of more than 20 per cent per month has broken through again.

broken through again,
Falling tax revenues and failure to
ent current public spending has
meant that the public sector now
loses \$8.5m every day. Sysu symps
thetic officials of one particular international financial institution are privately saying that the state failway
a 52m per day loser — "should be
closed down".

Aronne Mr Alfonsin's promises was

closed down".

Among Mr Alfonsin's promises was that Mr Juan Sourroullie would be with him, as economy minister, until the very end. That undertaking went the same way as many others. Mr Sourroullie resigned on March 31, after just over four years in the job. His replacement is 74-year-old Mr Juan Carlos Pugliese, who by his own admission knows little of economics. Mr Purgliese's last attempt at running Mr Pugliese's last attempt at running the economy was 25 years ago; as a embittered Argentina put it: "It'a rather like asking Sir Alec Douglas Home (the British Prime Minister until 1964) to come back and sort out

the unions."
There are two powers in the land which threaten to exacerbate the crists, if their deeply entrenched interests are touched by the sort of govern-ment Mr Alfonsin — and now Mr Angeloz — bad in mind. Organised

Angelox - bad in mind. Organised labour, particularly in the public sector, promises major confrontation if any government - Radical or Peronist - tries to impose necessary Thatcher-like reforms.

Argentine trade unions are not interested in Mr Angeloz's idea of an unemployment benefit scheme, not because they like work but because welfare benefits would go to the individual, not the union. With a dole system Argentina could begin to dismantle a bloated state sector with minimal suffering to the unemployed. But that would erode union power, and the union leadership have more determination, and perhaps firepower, than those who opposed Mrs Thatcher.

than those who opposed Mrs
Thatcher.
With trade unions Mr Alfonsin has
shown what some call a remarkably
democratic, and others a craven
spirit. None of the 13 general strikes
called under his government has been
declared illegal. To attempt the dismantling of union power in Argentina
is to walk a short plank to confrontation. The Radicals have yet to chop
down the tree to make the plank.
The other non-elected power is the
army, Last December Colonel

army, Last December Colonel Mohamed Alf Seineldin staged the third and most serious rebellion in 18 months, Like tha previous ones, it ended with little bloodshed, and, according to President Alfonsin, without any deal having been struck No. out any deal having been struck. No one believes him, since one of Colonel Seineldin's key demands was the

Seineldín's key demands was the sacking of army chief of staff General Dante Caridi, hafore December 23. That wish was granted.

Colonel Seineldín — and the overwhelming majority of the army which backs him — is now waiting for May 14. He is thought to have been promised an amnesty by Mr Menem. If Mr Angeloz wins and does not follow that path we may expect another and this path, we may expect another and this time more serious rebellion.

The political and economic atmosphere in Buenos Aires is now highly

sphere in Buenos Afres is now highly unstable. Whichever of the two main parties is the narrow loser will feel robbed, and although a coalition of sorts may be possible, the inner tensions of both parties are such that this would crumble within weeks rather than months. The massive daily queues outside the Italian — and other consulates — formed by Argentines hoping to cash in their claims to citizenship of other countries are perhaps the most vivid testimony to doubts that 1989 will have a happy ending.

Present from Sotheby's

The relationship between Sotheby's, purveyors of capital-ism at its most rampant, and the Soviet Union, gets warmer and warmer. Today Lord Gow-rie, London chairman of the auction house, will present to Raisa Gorbachev just what she's always wanted — a por-trait of Czar Peter III by Roka-

Sotheby's bought the painting in London with its own money and is handing it over as a thank you to the Cultural Foundation of Moscow for its co-operation in the success of Sothehy's sale of contempo rary Soviet art in Moscow last July, which raised £2m, with most of the money going to

the Soviet Government.
Along with the portrait, the
Soviet First Lady receives something much more valuable: Turgenev's working manuscript for his masterpiece Fathers and Sons, conceived at all places in Ventnor the Isle of Wight, which the writer visited in 1860.

The manuscript disappeared from sight, but was recently offered to Sotheby's for sala and slotted into a May auction, with an estimate of around £500,000 placed on it. The Soviet Government immediately expressed an interest and Sotheby's has managed to negotiate a private deal with the owner, probably with a discount for glasnost. Entirely by coincidence the Gorhachev visit has come at

the same time as Sothehy's sale of 20th century and avant garde Russian art. It proved a resounding success yester-day, bringing in over £3.5m. A number of records were hroken, including a price of £759,000 for a painting by Alex-andra Exter, one of the many women artists thrown up by the creative turmoil in the years just before the 1917 Revo-lution.

There were Russians aplenty in the room, as spectators, and the auction was filmed by a

OBSERVER

Soviet television crew which has spent all week in Bond Street explaining the workings of an auction house to Soviet viewers. The entente takes a step forward in Zurich in the autumn when Sotheby's will hold another sale of contemporary Soviet art.

Cricket odds

Worcestershire start the county cricket season as favourities to win everything in sight. They are at 41 in the County Championship, and 51 in both the Benson and : Hedges and NatWest competitions of the County Championship in the Benson and : Hedges and NatWest competitions. No other county comes
close to that, although watch
Lancashire which is 7-1 for
the county championship, joint
6-1 (along with Middlesex) for
the NatWest, and 8-1 for the
Benson and Hedges, along with
Middlesex and Essex. The betting on Essex for the championship is 8-1, again the same
as Middlesex.
Total outsiders for the cham-

Total outsiders for the championship are Giamorgan at 100-1, but Sussex look like an interesting bet at 50-1. Lad-brokes said yesterday that not a great deal of money has yet been staked, so the odds could change when the weather improves.

Close thing

Francis Maude, the junior minister at the Department of Trade and Industry, was somewhat surprised on Wednesday to find himself sitting down to dinner at the same table as the Chairman of Harrods, Mohamed Al-Fayed.

The situation arose at a gala dinner at the Grosvenor House Hotel in Park Lane in the pres-ence of Queen Margrethe of



"I see Leon Brittan's into a spot of Glasnost now"

Denmark, who is in London to belp launch the "Denmark in Britain" trade drive.

in Britain" trade drive.

Maude and Al-Fayed were seated at one of the two Royal tables, together with the Queen's Consort, Prince Henrik, while Mrs Al-Fayed was seated at the Queen's table.

One of the Queen's first engagements was to open a Danish consumer goods' promotion at Harrods yesterday evening. To avoid any further embarrassment to the Queen, the Danish organisers and Harrods endeavoured to keep UK press photographers away press photographers away .

from the reception.

Maude was not told that AlFayed would be at the dinner, let alone seated at his table. The Danes, who arranged the dinner months ago, were afraid that the minister would decline to be present had he known that Al-Fayed would be there. As it was, Maude left as soon as the dinner and the following entertainment – hy, among others, veteran Danish-American Comedian Victor Rosse. can comedian, Victor Borge - was over.

Gloves on

Mice to know that those attending President Gorba-chev's speech at the Guildhall this morning will be properly dressed. The official invitation from the Corporation of Lon-don to an Address by the Gendon to an Address by the General Secretary of the Central Committee of the Committee of the Soviet Union, Chairman of the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics states at the bottom: "Ladies Day Dress with Hat and Gloves".

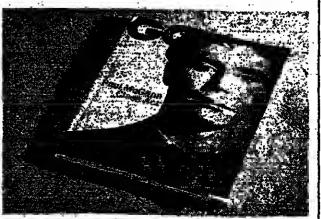
Pots of it MOur note about two cups of

coffee at London's Howard Hotel costing 25 has led to a number of queries to the hotel's headquarters. Michael P Day, the Director and Company General Manager, says that the point is that the Howard does not serve coffee hy the cup. It comes in pots. hy the cup. It comes in pots. Each pot provides about three cups. You can also have as many biscuits as you like without extra charge. Moreover, there are free copies of the Financial Times to go with them. Day says that the hotel takes 120 copies a day to give to customers. The Howard Hotel in New York and the Hotel in New York and the Hotel Mirabean in Monte Carlo provide a similar service. Nonresidents are expected not to remove the FT from the hotel, though they sometimes do. So if you want to read the paper, drink three cups of coffee and eat a lot of hiscuits, the cost is £2.50. It just happens to cost the same if you want only one cup and nothing

Well tested

An elderly farmer's young wife was making a list of supplies to order from the vet. "Tom," she asked him, "what's the name of those pills we give the bull to keep him up to scratch?" "Don't remember," he said, "hut they taste of pep-

SCREAMED AT PUNCHED IN THE FACE. **UNDERPANTS** STUFFED IN YOUR MOUTH ISTHIS GQ ARTICLE ABOUT MISTRESSES? THE LONDON MARATHON? OR THE FOREIGN LEGION?



GQ. The men's magazine with an LQ. April issue out now

ooked at through American conservetive eyes, Britain's Conservative government is

Its internal watchword is "trime management," by which is meant the proposition that there is only so much proposition that the proposition that th that can be done to control what is after all a universal phenomeron and that what is done should be cost-effective. The phrase crime management" is well-known to givil ser-vants and some ministers, but nowa-days they avoid using it in public and hardly ever speak it in private. Tories who hope to succeed must look, and sound, tough on criminals. Yet even Mrs Margaret Thatcher's own Conservative think-tank, the Centre for Policy Studies has the translation. that postulates a reduction in the number of people kept in prison, on the ground that in most cases it is useless to put them there. (it is called "Custody reconsidered." I'll get back to it in a minute.)

There is little evidence of such tender-heartedness among American con-servatives. Perhaps the least overtly charming of their think-tanks is the Heritage Foundation, which has pro-duced a 972-page volume of advice for the Bush administration. It is not too keen on habeas corpus, and seems quite enthusiastic about capital pun-ishment, but we can leave the hastler paragraphs on one side. What is mere paragraphs on one side. What is more interesting, from the British point of view, is its quotation from e US National Institute of Justice study, which tells us that the cost of build-ing a new cell and maintaining a prismg a new cell and maintaining a pris-oner in it is \$25,000 a year. "Yet," says the Heritage Foundation's writer, referring to the same source, "new crimes committed by each released prisoner cost society about \$430,000 in victim losses." The latter includes damages, legal costs, and private security expenditures.

Assuming their figures are right. the economic case is therefore unanswerable. If they are talking about crimes of violence the social case for locking the worst of the violent thugs up and throwing away the key is just as strong. The Heritage Foundation believes that using private manage-ment will cut operating costs even further — by perhaps \$700,060 per year per prison. That is more difficult to sell over here than over there, but Mr. Douglas Hurd, the Home Secretary, is moving towards putting out tenders for the private management

security expenditures.

of remand prisons. The US conservatives' advice to Mr Bush is not all one way. When it comes to "less dangerous" offenders, that same Heritage Foundation report. calls for fines, community service, or "residential incarceration" (by elec-tronic tag?). This is meat and drink to the Home Office. There is also a trans-Atlantic convergence of conservative ideas on the rationalisation of sentencing. The US side supports the federal Sentencing Commission, which issues guidelines to judges. In Britain the CPS report on custody, to which I said I'd get back, calls for

something very similar.

Written by Professor Andrew Ashworth of King's College, London, its starting point is that imprisonment

POLITICS TODAY

England & Wales 1978-88 % 1980 1982 1984 1986 2688.2 TOTAL of which: 2561.5 3262.4 3499.1 3847.4 3715.8 45.1 Theft and handling 1463.5 144 (3 2052.0 2003.9 1755.9 1808 0 1931.3 34.0 560.1 \$18.4 892.9 931.6 900.1 46.0 805.4 817.8 306.3 359.5 417.8 497,8 583.6 589.0 593.9 93.9 87.1 97.2 108.7 114.2 125.5 141.0 158.2 137.9 24.9

-80.0

Damned lies and crime statistics

.32.6

25.2

31.4

By Joe Rogaly

serves little purpose; all it does is meet the assumed public demand for criminals to be *punished*. It does not act as a powerful deterrent. It does not reform the offender. "On the contrary, it is seen to act as a breeding ground for crime." The Home Office has been saying this for years. It has also been encouraging ministers to change the rules so that sentences might be reduced. What has happened, the Ashworth study indicates, is that the judges have moved in the opposite direction. The prison population has grown from 32,000 in 1968 to a more or less stable 50,000 or so now. The average length of custodial sen-tences imposed by the Crown Court has grown from 17 months in 1930 to nearly 19 months in 1987. Professor Ashworth's answer is a

13.2

15.0

21.1

22.8

Robbery

Sentencing Commission. It would develop and issue guidelines to the courts. It is assumed that they would respond with more consistent senten-cing. This would not amount to inter-ference with the independence of the the Professor's view, "prison must be confined to the uses for which it is fir the removal from society of really serious offenders who deserve it."

Non-custodial sentences should, he indicates, be more demanding. It is a rational enough prescription. It is easy for the Professor to issue it. He

does not have to sell it to a Tory Party conference.

Mr Hard would not try to do so, at least not head on. He has, however, done a very good job indeed of sooth-ing general public opinion about crime. He was quite well received, for e Home Secretary, at the most recent party conference. He has been assisted by Mr John Patten, who should be called the Minister of State for (I can say it) crime management. In this spirit, the steady stream of Home Office research publications is still in the direction of a sensible approach. This is true of this week's report on "lager louts", which describes how some young men, often out of work, make trouble after a night in the pub. The Prime Minister would not like to be told that her social policies contribute to this effect; one implication of the report is that brawls after closing hours are a matter for local communities to solve. This would be easier if the Government had not done ao much to destroy locally-elected authorities.

More to the point, the process of selling crime management without speaking its name could turn out to be politically counter-productive. The Government has spent so much energy and money telling people to watch out for thieves that fear of

them has risen sharply. Mr Hurd says that the fear may be as serious as the crime. It can, he says, "stunt and crip-ple the lives of law-abiding folk." (That is nothing to what it can do to politicians regarded by the voters as soft.) The Home Secretary has therefore put Mr. Michael Grade, Chief Executive of Channel 4, in charge of finding out how to reduce the fear.

To those who respond - how about reducing the crime? — the standard answer is that, if you believe the statistics, Britain is getting crime under control. It fell by 5 per cent in England and Wales last year, following an average increase of 5 per cent a

Can you believe the statistics? I don't see why you should. For nearly a quarter of a century the Home Office, which collates these numbers, has been doing its best to convince us that the apparent growth in the number of crimes is partly an illusion. Only a small proportion of petty crimes gets reported to the police, and the share of those that they record depends upon how many desk officers are around and how diligent they are. Thus the increase in recorded crime may be far greater than the increase if any, in actual crime, if there is a bit more thievery and burglary around it is the product of the growth in popu-

lation or other natural causes and anyway far smaller than the records so misleadingly seem to indicate. I have helieved this story every

time I have heard it over the past 25 years or so. I have even repeated it in these columns from time to time. It sounds right. I have most recently accepted it in the case of rape. The number of rapes notified to the police has more than doubled over the past 10 years. The Home Office says that much of this increase reflects changes in police practice, especially in Lon-don. Officers who in times past may have turned away many reports of violent sexual assault are now more nderstanding, so it is said.

The result is that victims are less

reluctant to report such crimes. If you reluctant to report such crimes. If you go to the Home Office you will still hear this opinion of the rape statistics. It sounds right. Recent studies by its research unit suggest that 60 per cent of rapes are by men known to the victim, either as intimates or acquaintances. Curiously, the number of reported rapes has fallen slightly in an inner London sample (Islington and Lambeth), although the police have accepted more as definite crimes. Thus recorded rape has increased. Clearly the old scale of lies, increased. Clearly the old scale of lies, damned lies and statistics has one step lower to go — criminal records.

The Home Office is nevertheless quite pleased with its latest figures.

The downward trend is thought to be real(ish), and due to a number of factors. One might be the development of "crime prevention" schemes. These include Neighbourhood Watch, more advice on using locks, bars, and bur-giar alarms, and more recent concepts like using design to make housing estates more crime-proof. Intelligent design can do the same for cars, shops, schools and practically any public place. What Mr Hurd and Mr Patten seem to have been unable to do is persuade the Treasury that there is a net cash benefit in putting con-cierges in council blocks, or more police on trains and subways.

Another Home Office favourite is victim support, which it helps to fund. The first scheme was started in Bristol in 1974; today there are some 350 in operation. The help, hy trained volunteers, may involve repairs to property, or advice on how to get compen-sation, or a form of psychotherapy. Last year some 328,000 victims. mostly of burglary, were referred to these voluntary agencies. The most relevant factor may, how-

ever, be demographic. Most crime is committed by teen-eged boys. The growth in the number of teen-aged boys has slowed down and gone into reverse. There are fewer of them around, and there will be fewer still in the next couple of years. This sim-ple fact is thought likely to overcome the long-term postwar growth in the number of crimes per 100,000 population, which has shown a steady upward trend in most years. Neat, isn't it? With just a little bit of luck, the Government will be able to dodge the tag "soft on crime" and proudly announce a fall every year until, say, the next general election. It may take all of Mr Grade's presentational skills

to make us believe it.

LOMBARD

Nationalism is not enough

By John Lloyd

THERE IS a great speech waiting to be made. It must be made by a senior opposition probably Labour — politician. The title would be: "Why the kingdom should stay united." It would be a tremendous political occasion. But I cannot think how any senior opposi-tion figure could rise to it -

not because they are incapable of rising to occasions, but hecause it is hard to know what they would rise with.

The challenge is in the phrase now being used by the Scottish National Party (SNP):

"Independence within Europe." Why stop there? What is the argument against going the whole hog? What is the argument, now, for the Union? Conservatives have lt relatively easy here. They invoke Queen and constitution, the sovereignty of Parliament, historic unity, common sacrifices,

regeoeratioo of the UK economy with effects in its peripheries as well at the centre, and the fact that the Scots, the Welsh and especially the Northern Irish are all subsidised from the English purse. But opposition parties ere shot through with Celtic infinence. Labour is led by a Welshman; and there are five Scots in the shadow cabinet. (Mr

Tony Blair, the youngest shadow cabinet minister, is of Scots parentage and education; Mr Bryan Gould, Labour's chief thinker, is a New Zea-lander with a Scots name.) The Liberals were formerly led by a Scot, Mr David Steel; they are now led by a Cornishman (Paddy Ashdown) with a Scots deputy (Alan Beith). The Social Democrats were first dreamed up by a Welshman (Roy Jen-kins) and are now led by a West Country man with a Welsh name (David Owen). The Labour Party has held out different arguments for the

Union: that it would achieve socielism in Britain, only achievable with a united working class. And the working class has been united, most of all through trade unions, organised on a national basis, in which Scots and Welsh have been disproportionately repreented at top levels. Opposition leaders with experience of being "fringe British" in their bones must

now address the question; why

should not Scotland. Wales and Northern Ireland seek independence within Europe?

The first two are (or say they are) deeply alienated from a Government they see as southern English. Scotland has retained its separate judiciary, legal system, church, and cul-ture. Wales has retained a lan-

guage (in parts) and is more militantly anti-English. The old argument to stick together in order to win social-ism in one nation has disap-peared - it did so the instant Mr Kinnock swung the Labour Party round to Europe. (Northern Ireland is something of an exception: the majority actively want the right to remain British, but the Anglo-Irish agreement is the unequivocal sign that the latest Westminster party to guarantee its Britishness - Conservative -is politely waiting for the Unionists to draw the obvious conclusion and sidle up to the Irish Republic.)

So why not independence? The "bottom line" response that constituent parts of the UK would immediately be poorer: in Ulster's case, very much poorer. But in the longer term? With good infrastruc-tures, high levels of education, and the bursts of energy inde-pendence might give? Could it be worth the risk? And is this bettom line, in any case, the only reason for the Union now? It is easy to think of argu-meots against nationalism— Scots and Welsh versions are already impregnated with a vainglorious wbingeing, legitimising every kind of rhetori-cal and bar-room excess about "the English." Modern Scotland was in part constructed by people who thought of themselves as North British (as against the then detested Highlanders). Wales never had the institutions of nationhood. None of the nationalist parties have attracted politicians of the first rank: these have largely remained Labour.

But these are points against nationalism. The issue for the putative speechmaker is the positive, contemporary, unionist argument: why be British rather than English, Scots, Welsh and Ulster Europeans? There may be a very good answer to that. But it has not been seen about, recently.

Privatising

UK water

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11/14

NOTE

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all III

THEFT

From Mr T.J. Moorey.
Sir, Mr Michael Howard, the Minister for Water (Letters, April 3) says that privatisation will bring competition in the capital markets, and better managed companies will be able to raise capital more

cheaply.

Leaving aside whether this is much of an argument, way has the managing director of West Kent Water Company written to me to say that charges are going up by 43 percent, partly to cover higher borrowing rates after privatisation? Will the Minister be telling the company that it is not ing the company that it is not well-managed? Has he rejected

the 43 per cent increase? Why is 21 per cent of the increase to cover privatisation requirements when this particular company is already pri-Tim Moorey.

Mercury House, 195 Knightsbridge, SW7

Employee share schemes

From Mr Nicholas Andrew.
Sir, In our experience, family-controlled companies are reluctant to introduce employee share schemee mainly because of the lack of marketability of the shares acquired. There is little employee incentive in holding a minority parcel of shares in a private company which does a minority parcei of shapes in a private company which does not pay dividends. However, by the introduc-tion of an employee benefit

trust, a private company can create a market for its shares for both existing shareholders. for both existing sharehomers and employees who acquire shares under inland Revenue approved share schemes of "unapproved" arrangements. The stimulus to employee beniefts trusts given by the Chancellor, albeit in finited form at the stimulus are stimulus to employee beniefts trusts given by the Chancellor, albeit in finited form at present is welcome, and should ead to a significant increase in share incentive schemes for private companies.

This is in addition to a probable substantial increase in the use of employee benefit trusts. "qualifying" or not, for listed companies, despite the additional company law problems associated with such trusts. Nicholas Andrew, Robson Rhodes, 186 City Road, EC1

Stands Scotland where it did?

From Sir Charles Fergusson. Sir, Your leader, "Speaking for Scotland" (April 4), cannot be a deliberate attempt to pull wood over your readers' eyes, but it does read as though written in Frankfurt rather than in

London.
Why do you resurrect the bland old platitude that the demand (in Scotland) for self-determination will not go eway;" then assert that this "demand" should be met because Scottish reeling is "too strong" to do nothing?

Why do you propose that the Scottish electorate should in some way vote once more about our preferred form of government? And would "once more" be

And would "once more" be enough: would you advocate. that this should happen regularly — perhaps again and again — until an assembly and/or a separate state was established? I am reminded, as one often is, of the words of the sage Strausz-Hupe: "The less we know about another man's life, the bolder will be our suggestions for improving it."

In every country there will In every country there will aways be demands for constitutional change, however silly, which "will not go away." Anyone who offers people "more say" in their own affairs, without even remoding them how. out even reminding them how much they already have, is

much they already have, is likely to get a hearing.

There is, as in the 1970s, much noise about self-determination in the Scottish media, and now also from politicians with little else to do. This is a handy means of irritating the Tories and of building up resentment against the Gossmannt and Mrs Thatcher, personally. But I know that ordinary people seldom talk, about it and as in those days, certainly do not regard it as of any priority.

From Mr Tribution.

Sir John Milentiamer Offeren.

20) points that a better Albertative to our present system of
retaing reviews. But he should
emphasise that a tax on land
values would go with a reduction in other forms of tax—
income tax, rates, YAT—
A tax on land value would be
easier—and therefore cheaper

easier - and therefore cheaper. - to collect. Such a tax is unaffected by whether a landowner makes good or bad use of his land, it would therefore benefit him/her to use it in the best manner possible, consist-

I am sure, too, that most Scots inside and outside Scot-land still have no doubt that the changes proposed by the "devolvers," and what they might lead to, would be disastous for our economy and a

tragedy for Britain. You say that the devolution offered to Scotland 10 years ago met "merely technical" defeat because the necessary 40 per cent Yes vote was not achieved. And you seem to think it was a high pass mark set for a constitutional change which was widely believed, not least by the Scottish National Party (SNP), to be a half-way house to full separation from the rest of the UK.

But you should recall that the actual Yes vote of 1,230,937 - 32.9 per cent of the electorate - represented less than one-third of Scottish voters, with (one presumes) all the separatists among them.

The No vote, at 1,153,502,

was barely two percentage points behind, although the No campaign to bring out its votweakened by the devolvers' loud claims that an abstention would equal a No. (If that was correct, then the Noes may be held to have won by more than

two to one.)
Scots outside Scotland were, as you will remember, given no chance to make known their views on the future of their

Here in Scotland we are used to reading nonsensa about Scottish self-determination in our own newspapers. If newspapers of your eminence repeat it, there is a danger that it may be taken seriously in quarters where it matters. Charles Fergusson,

Case for a land tax

ent with planning controls. That is how it works in other countries which have made use of this system for many years, including parts of Australia, New Zealand and many cities

in such countries "inner city blight" is largely unknown because it is uneconomic. In Britain the owner often prefers to hold on to land, keeping it out of use and in delapidated condition, reaping enormous profits on a sale years later.

IT applied to traffic jams

From Mr Martin Crogg.
Sir, The Confederation of
British Industry report pub-lished on March 29 estimates that traffic congestion, especially in the south east, costs
Britain £15bn a year. But the
remedies suggested by the CRI
reflect the vertical thinking
which has plagued the Department of Transport for years.
Bigger roads lead to higger
james

Of course there should be continuous expenditure to improve the transport network. But highways of a different

kind would eventually provide the solution sought.

The provision of interactive broadband networks through-ont the important commuter regions of the UK would allow many people to work at least part of their time at home. This would take pressure off the transport network and relieve congestion in a most cost-effective way. Expensive office space would be released; employees would be happier, healthier and more productive; accidents and pollution would be reduced. Experience gained in "remote working" would also have clear henefits. Because the Government has

Because the Government has failed to grasp the link between telecommunications and physical transport, this association is sponsoring a short study of the potential, and would welcome support from those with views or evidence. This is one example of the many ways that IT (information technology) could be applied at the strategic national level to address important problems.

Martin Cragg.

Martin Cragg, Business Equipment & Informa-tion Technology Association, 8 Southampton Place, WC1

Word war

From Mr M.R. Sandpearl.
Sir, I am puzzled by the seemingly arbitrary way in which the media interchange which the menta interchange the words "terrorists" and "guerrillas." Is it coincidence that Palestinian (or Basque) perpetrators of terror are described as "guerrillas" and IRA guerrillas are described as "terrorists"? And how do we interpret "rebels," as in "Nic-araguan Contra rebels"? M.B. Sandpearl,





FINANCIAL TIMES

Friday April 7 1989



Takeshita faces battle for his political life

Stefan Wagstyl gauges fall-out from the latest revelations in Japan's Recruit scandal

Takeshita, the Japanese The starting point of his Takeshita, the Japanese Prime Minister, of containing the damage done by the Recruit financial scandal have been virtually destroyed hy the revelation this week that he was himself one of the chief beneficiaries of the com-

pany's largesse.
The disclosures have under-The disclosures have under-mined any lingering hope Mr Takeshita might have had of defusing the crisis hy shuffling responsibility on to the head of his predecessor, Mr Yasuhiro

The reports show Recruit continued to spray large amounts of money around the upper levels of the ruling Liberal Democratic Party well after Mr Nakasone announced plans in early 1987 to leave office later that year. Mr Tak-eshita received Y50m (\$379,000) from Recruit at two fund-raising parties, just as he was pre-paring to launch his campaign to succeed Mr Nakasone as

Prime Minister. Mr Takeshita is already dead. He is finished. The only question is when be holds the funeral," Mr Takayoshi Miyagawa, president of the Centre of Political Public Relations, a political study centre, said yes-

terday.
Other analysts say that the matter is not so clear cut. Mr Takeshita has to stay on, they argue, if only because most of his possible successors are also tainted by the affair. But even some members of the ruling Liberal Democratic Party are saying privately that the Prime Minister should quit. The junior and middle ranks of the LDP men in the Diet (Parliament) are becoming angry enough to speak out publicly. The speed with which the affair has engulfed the whole LDP political machine has astonished politicians and analysts alike. Almost every time

the public prosecutor investi-

gating the scandal has pulled

investigation was the sale by Recruit, a husiness information company, of shares in Recruit Cosmos, its property affiliate, just before Recruit Cosmos was floated in October 1986. Some 160 influential politicians, civil servants and businessmen who received pre-flotation stock

In total, some 16 politicians received Recruit Cosmos shares either in their own names or in those of relatives or secretariee. They collec-tively made profits of Y400-Y500m. In addition, about 30 Y500m. In addition, about 30 politicians received up to Y200m from Recruit in political donations between the early 1980s and the end of last year.

Recruit Cosmos shares, a fact which until last week allowed Mr Takeshita to dodge direct attacks. But his position has been undermined by the revelation of the Y50m gift made in May 1987 - in the form of block warnings of the state of block purchases of tickets to two fund-raising parties.

• Mr Takao Fujinami: the

Recruit gave Y50m in political donations to prime minister

THE personal involvement in the Recruit scandal of Mr Noboru Takeshita deepened yesterday after it was confirmed that he had received Y50m (\$381,000) in political donations from the company, writes Stefan Wagstyl in

Mr Ichiro Ozawa, deputy chief cabinet secretary, confirmed Recruit had purchased Y30m worth of tickets for a Takeshita fund-raising party in northern Japan in May 1987, just as Mr Takeshita was preparing to launch a cam-paign to succeed Mr Yasuhiro Nakasone as

The Prime Minister last week admitted receiving Y20m from the company at a separate

party held a few days later in Tokyo.

However, Mr Ozawa's explanation raised suspicions about the donations. He said that Y20m of the Y30m raised in northern Japan had been passed to Mr Takeshita's office for temporary

safe-keeping.
Mr Takeshita's office has never reported the Y20m "temporary" contribution it still holds, as it would have been required to do under the law covering political fund-raising, if the money had come directly from Recruit.

This raises suspicions that an attempt was

made to disguise the origin of the funds by routing them through the party's local associa-tion in Morioka.

mos stock.

chief cabinet secretary in the

Nakasone administration made

Y26m through his secretary

In addition, it has emerged

from the sale of Recruit Cos-

in the last few days that Mr Fujinami received Y23m in

cash from Recruit in late 1986

shortly before he bought a house in Tokyo. This has raised susplains that Mr

Pujinami may have used

Recruit's money for private rather than political ends. But

the most serious allegation against him is that be was one

were able to make quick prof-

This investigation has so far brought 13 arrests – of Recruit executives, including its founder Mr Hiromasa Ezoe, of civil servants who dealt with Recruit and of officials of Nippon Telegraph & Telephone, Japan's largest company which had close commercial links with Recruit. The charges relate to attempts by Recruit to bribe individuals into helping further its husiness interests.
The Tokyo District Prosecutor's Office has yet to arrest a politician. But the leaks of information have done enough to destroy a bagful of political

As the prosecutor has worked through mountains of papers seized from the offices of Recruit and elsewhere, so the inquiry has ranged far beyond the sale of Recruit Cosat a thread of evidence he has mos shares to other gifts made

None of this is necessarily illegal. Funds raised from hig husiness are the financial lifeblood of Japanese politics. But concealing large gifts is against the law. More seriously, so is repaying a benefac-tor by exerting political influ-ence on his behalf. That turns

the gift into a bribe.

It is the size of the gifts made by Recruit to key leaders of the LDP which have raised suspicions that the company expected something in return. Among politicians who benefited most were: Mr Nakasone: his secretaries

made profits of about Y130m on the sale of 26,000 Recruit Cosmos shares. The prosecutor is investigating claims that in return Mr Nakasone promoted Recruit's efforts to diversify into telecommunications with the help of NTT, which was then state-owned. • Mr Takeshita: his secretary made only about Y4m from

of about 16 people who were sent money by Recruit in June 1988, after the scandal had already crupted. Mr Fujinami allegedly received Y18m paid into a bank account in a fictitious name composed from the

names of two of his aides. The material in the prosecutor's hands is so vast that there are still plenty of opportunities for fresh allegations to

emerge against leading politi-cians. For example, two senior civil servants from the Minis-try of Labour and one from the Ministry of Education have been charged with accepting bribes in return for withdrawing proposed regulatory reforms, which might have hurt Recruit's business. However, the prosecutor is examining evidence that politicians close to these ministries may also have been involved.

Other politicians apart from Mr Nakasone may be implicated in alleged attempts to boost Recruit's chances of securing business from NTT.

Meanwhile, the investigation of Recruit's links with NTT led to the discovery of a huge political slush fund, ont of political siush fund, out of which Y870m was paid to 320 politicians, including opposition party members. The point here is that NTT, in which the Government retains a big shareholding, is regarded as a semi-state organisation, and is specifically banned from making political contributions. ing political contributions.

NTT's defence that the fund
was composed of "voluntary"
contributions from its staff
may not hold water.

Three Cabinet ministers have resigned so far. Mr Kilchi Miyazawa, the former finance minister, quit because he tried to hide the fact that his Recruit Cosmos shares were inadver-tently bought in his own name by telling some ludicrous lies to the Diet. Mr Ken Harada and Mr Takashi Hasegawa both resigned within a short time of their appointments last December after failing to disclose contributions from Recruit.

In a sense they all quit on technicalities, violations of rules which in other circum-stances might have been soon forgotten. But it is a sign of the way that the Recruit scandal is breaking apart the LDP political machine that the party was unable to save them. It remains to be seen whether it will be able to save itself.

welcomed

by Thatcher

In a reference to Mr Gorba-

chev's call for the West not to

go ahead with the modernisa-

missiles, Mrs Thatcher said both East and West had to be

able to defend itself in an

Both Britain and the Soviet

Union knew from bitter experi-ence that conventional weap-

ons did not deter war in Europe, whereas nuclear weap-ons had done for over 40 years. "As a deterrent there is no sub-stitute for them", she added. In their talks carlier in the

day, Mrs Thatcher emphasised that the Nato alliance would

press ahead to replace the age-ing Lance short-range nuclear missile. However, Mr Gorba-

chev stressed that, now that conventional force reduction

talks were under way in

Vienna, the West would no lon-ger need nuclear arms to com-

pensate for the Warsaw Pact's

conventional superiority.
"We stated our case," Mr

Gerasimov said. "Modernisa-

tion is a misnomer, pure and simple. It is not modernisation

at all. It is the creation of a

new nuclear system within the legal limits."

Mrs Thatcher also voiced concern about the Soviet

Union's large stocks of chemi-cal weapons, which Britain

believes much higher than 50,000 tonnes admitted hy

Mr Gorbachev was said by British officials to have agreed

to seek further ways to reas-sure the West. Mr Gerasimov said the Soviet President had

invited Britain to send a new inspection team to check on

Soviet plants for chemical

"unpredictable world".

tion of its short-range nuclea

The high spirits of Guinness

The 26-point fall in the FT-SE yesterday proves there are some old hands left who remember about dock strikes. However, things have moved on since 1975. Even if the abolition of the dock labour scheme does lead to a prolonged national strike - which is scarcely likely - think what good news thet would be for the trade deficit.

Guinness

Rather than crow over a 25 per cent increase in earnings, Guinness yesterday chose to explain why it had not performed better last year. The effect of this apparent modesty was electric; the shares, which have entereferred by 15 per have outperformed by 15 per-cent this year, rose another 7p as the market grasped the point that the hig boost from Distillers is yet to come. So far, Guinness has made sense of Distillers' distribution

and has corrected its worst operational inefficiencies, but has yet to start on the enormous marketing job. The industry background is good: demand is rising, and growth is concentrated at the posh end of the spirits market, where profits per bottle are ten times as high as for rotgut. Best of all is the alcoholic miracle in Japan, where this month's tax change on imported Scotch-could help increase demand almost threefold in the next

five years.

Meanwhile, yesterday's stake building in LVMH may bring that tortuons chapter to a close. Guinness now owns almost as much as it may be allowed to, and the present composition of the board has an oddly lasting feel to it. It does not matter whether Guinness chose to buy into LVMH through Christian Dior this time because the shares were cheap, or because it was less visible to the Krench authorities. Either way, Guinness is strengthening links with a partner whose profit performance has been even better

than its own.

The market may not yet regard Guinness as the "inxury and lifestyle" business that the company would like, but it is gradually coming round to the view being a spirits company need not be dull. Eventually, that should mean the shares swap their small discount to the market for a premium.

Maxwell Mr Maxwell's latest blueprint for MCC continues to give the impression of manocu-vres in a tight place. The new Share price relative to the

making for a slight rise on an annualised basis, has the prac-tical effect of reducing 1988 tical effect of reducing 1988 payments by a handy £11m. The reduction of debt is partly to be achieved by the familiar technique of swapping from one pocket to another, with the sale of the newspaper printing husiness to the privately owned Mirror Group; and instead of being sold to MCC for paper as previously for paper as previously planned, the Mirror itself is now to contribute cash through a flotation.

On the other hand, it is good to hear that Mr Maxwell has finally abandoned his chimera of tripled turnover by the end of next year. The notion was always an odd one, and became an impossibility as soon as an impossibility as soon as MCC took to buying high-margin publishing assets on sky-high multiples. Now that MCC has apparently achieved its ambition of ranking among the global top ten in the communications business — the terms being sketchily defined — one could wish to see Mr Maxwell simply getting the Maxwell simply getting the debt down and running the business as it stands. But that would smack of strategy, and there have been too many changes of tack to make that

Meanwhile, the shares continue to bump along the bot-tom. The capital loss seems irrecoverable, and the outlook is bleak for income. Even on an annualised hads, the dividend increase is under 3 per tion for 15 months' worth of inflation. The buy-out of public companies may be undesirable as a rule: MCC would be a useful exception.

Forget Blue Arrow, Saatchi & Saatchi, or even Next. The prize for the big bull market stock which has fallen faster timing of dividends, while and further than anyone else

must go to British & Common-wealth Holdings. Since its shares peaked at 565p in the summer of 1987, they have underperformed the market by 57 per cent. This is no mean feat given that B&C. steered clear of the pitfalls, such as equity market-making, which ensnared equally ambitious financial services groups like Kleinwort Benson and Morgan Riemwort Benson and Morgan Grenfell. With B&C's 1988 after-tax profits virtually unchanged at £67.9m (com-pared-with Kleinwort's £8.6m), and the dividend increased by 16 per cent, is the market's judgement unduly harsh? judgement unduly harsh?

B&C's basic problem is that
it is constantly changing shape

at a time when its operating environment - characterised by rising interest rates and sluggish trading volumes -has been steadily deteriorating. has been steadily deteriorating.
Whereas last year the group's
core moneybroking businesses
were the biggest single profit
contributor, the latest acquisition — Atlantic Computers —
should take the lead this year.
The fact that the bulk of the latter's profits are earned in the last couple of months of each year adds to concern about the quality of the earnings of a financial services group with negative net worth and net borrowings not far short of its market capitalisa;

tion of £745m. If B&C can sail through the current recession in the UK financial services industry without taking any nasty knocks, then its star could well shina again. But for the moment, there is no obvious reason why it should sell at more than twice the prospec tive multiple of Lloyds Bank, for example, and yield consid-

至以

Ser. Ser.

Hillsdown

The placing of Mr David Thompson's 15 per cent stake in Hillsdown must be good for the shares, but only within limits. On the one hand, it removes the constraint on buy-ing from institutions which could see cheep stock around the corner. On the other, the discounted placing price means that takers of the stock were about 150 ahead by vesterday's close. Another 10p on the

price, and the profit might be worth taking.

The placing was easier than most, given that Mr Thompson was never expected to sell to a hostile party; but it was wel-come evidence of the market's capacity to absorb stock. Less benign stakeholders in RHM, Scottish & Newcastle, Cadbury Schweppes and Berisford must be wishing it was that easy.

Deal on agricultural reform agreed Perestroika

By Peter Montagnon and William Dullforce in Geneva

multilateral trade talks.

The deal was agreed between representatives of the US, the European Community and the 13-nation Cairns group of inde-pendent farm producers. It was being put last night to other member of the General Agree-ment on Tariffs and Trade but met stiff initial opposition from Japan, the Nordic countries

Estonia bids to challenge Moscow rule

Continued from Page 1 investment and ownership hy foreign countries and compa a separate Estonian foreign

It does not specifically provide for a separate currency - although Mr Indrek Toome the Estonian Prime Minister, has said that it was desirable. Nor does it specify Estonian emhassies and consulates in other states.

The programme clearly runs beyond the limits set to republican autonomy by Mr Mikhail Gorbachev, the Soviet leader. The Soviet leader has singled out for particular disapproval the "excessive demands" of

The proposals face opposition from Estonia's Inter Front Movement, which is largely composed of ethnic Russians. Estonia has already adopted a law which compels all inhab-itants to learn Estonian, and has refused to implement new restrictions on co-operatives The draft programme, which has heen discussed over the paet nine months and is known as Ime, or miracle, is now given urgency by the timetable for its implementa-tion and by its official publicafood security.
Under the deal, Gatt coun-

tries would agree to negotiate a substantial and progressive reduction in all farm supports over the long term and would make an immediate political commitment to a freeze on current levels of support.

The freeze commitment would be loosely worded and fudge many of the technical

THE WORLD'S leading farm producers yesterday agreed an outline deal on agricultural reform which could unblock the stalled Uruguay Round on worked about what they called "non-economic" aspects of farm reform, such as national food security.

It would be less than the Cairns group countries had hoped for but members of the group self at head security. hoped for but members of the group said it had secured a commitment to long-term

Delegates said they expected a tough battle with the Japa-nese and other countries, which have been seeking recognition of the special probiems of their heavily subsi-dised farms, but they were expected eventually to give in.

Agreement on agriculture should pave the way for resolv-ing the three other outstanding Uruguay Round issues blocked since the trade ministers' meet-ing in Montreal in December. These are protection for intellectual property rights, the reform of the textile trade and new rules for safeguards, the temporary measures govern-ments are allowed to take under Gatt rules to protect domestic industries against an unexpected flood of imports.

Bush welcomes Shamir plan for West Bank, Gaza elections

By Lionel Barber in Washington

US PRESIDENT George Bush yesterday welcomed a proposal by the Israeli Prime Minister Mr Yitzhak Shamir for "free democratic elections" in the West Bank and Gaza as a step toward a peace settlement in the Middle East.

The leaders remained at odds, however, over an accept-able formula for the elections, which the US believes could pave the way for compromise hetween Israel and the Palestinians in the occupied territo-

After a 45-minute private meeting with Mr Shamir at the White House, Mr Bush continued US efforts to prod the Israelis into producing "new ideas" and pledged US assis-tance in the search for a settlement: "The status quo serves the interests of no-one," he

Mr Shamir, responding, made clear that the detail of the elections, including the question of supervision, had still to be agreed. He stressed that the proposal aimed to pro-duce a delegation of Palestinians "to negotiate an interim period of self-governing adminsitration" in the West Bank

WORLD WEATHER

towards a settlement.
Mr Shamir's government has resisted talks with the Palestine Liberation Organisation, which it calls a terrorist group and has sought to involve other Palestinians in the occupied territories in moves towards a settlement aimed at ending the 16-month-long Pal-

estinian uprising. In talks with President Bush earlier this week, President Husni earlier this week, President Hosni Mnharak of Egypt reacted cooly to the idea of elections in the occupied territories held under Israell supervision, but he hinted that a UN role might be more acceptable.

Mr Shamir continued to stress that the elections would have to he conducted "free from an atmosphere of Palestinian violence" in what he referred to as Gaza, Judea, Sameria at the latter two the Samaria - the latter two the Israeli hiblical terms for the

West Bank territory.

A senior US official described Mr Bush's meeting – the highpoint of Mr Shamir's US tour – as "encouraging" and said the administration was impressed by the Israeli government's "commit-

and Gaza as the first step ment" to a final peace settlement acceptable to all sides.
Mr Bush repeated that the
US and Israel remained close
strategic allies and he reaffirmed Washington's opposition to the creation of an inde-pendent Palestinian state, but he said: "Throughout the world old enemies are finding ways to talk to one another. This can and must bappen in the Middle East."

In the meeting, Mr Shamir criticised up the administra-tion's dialogue with the PLO and declared in his later state-ment that the creation of a Palestinian state would be a "moresuman state would be a "mortal threat" to Israeli security.
Mr Mubarak said that if Mr
Shamir holds elections without
the participation of the FLO it
"will be a grave mistake; it will
not solve the problem."
Mr Mubarak, interviewed on
NBC on Thursday, said Mr
Bush should tell Mr Shamir
that "land for neces is the

that "land for peace is the main principle for proceeding forward in the peace process."

He said: "Egypt has done lots of courageons stepe for peace . . . I think it's the turn of the Israelis to make a courageons ctem."

Continued from Page 1

There had been no contact with Mr Haul Gardini, the chairman of Montedison, whose Ferruzzi group owns 42 per cent of the company,
Mr Gardini was not available for comment yesterday,
but Montedison issued a statement denying that it had illegally copied software for inter-nal use. It also decried the manner

in which the inspection raids had been conducted and said it had been "expressly authorised" to copy the software programmes by Lotus Italia, the

Development Corporation of Cambridge, Massachusetts. Mr Neal Goldman, international counsel for Lotus, said last night there had been no anthorisation to Montedison from Lotus Development Cur-poration or Lotus Italia. "I would challenge Montedi-

son to produce the anthorisation," he said. The software producers said judges in Milan had ordered further inspections at other companies over the next few days. This, they said, might result

in further lawsuits.

weapons.

British and Soviet officials went out of their way to emphasise that the differences over arms control had not marred the generally friendly tone of the talks. One official said the depth of understanding reached during five meetings had allowed their relationship to reach a "new high".

At the same time there were Montedison denies pirating At the same time there were no new initiatives or any apparent breakthrough at yes terday's meetings, which ranged from the implications of the recent Soviet elections to the need to end the deadlock in

the Middle East.

The friendly tone of the talks, however, did encourage speculation in Westminster that the meeting may have laid the groundwork for Mr Gorbachev to invite Queen Elizabeth
Il to become the first British monarch to visit Moscow since the 1917 communist revolution and the overthrow of the Russian royal family.



THE WORLD OF TI

TI's biggest business

technologies interchanged and a trial applications. To protect through primary tube and hose decentralised but coordinated against corrosion, Bundy offers production, and surface coating. management structure has been the widest selection of surface to clustering into systems and established round the world. coatings in the world. Bundy also final manipulation. Bundy now has 49 manufacturements increasingly The future ing facilities located in 22 coundemanding requirements for Sid Taylor, President and

2300 million. Solving problems worldwide. Working closely with its customers in a wide range of indus-tries. Bundy designs, develops Applying technology tunities for growth in existing



Sid Taylor, Director, TI Group plc & President & Managing Director, Bundy International.

BUNDY INTERNATIONAL has customers the best available is considerably enhanced by developed rapidly into the world's technology in the world for Bundy's simultaneous engineer-

result Bundy offers each of its temperature control. Plating incorporate the very latest technology is being updated technological advances. from low,current density to high In turn, this means that we can is also being undertaken over the well into the forseeable future." next two years comparing metallic coatings with resin based coatings to provide a new era of coating technology for the 1990's. The speed with which products

can be developed and produced

leading designer and manufacturing their requirements.

their requirements.

their requirements.

Specialised steel tube and considerations are taken into tube and hose systems and is. Teflon hose are used in flexible account from the outset of design. now the TI Group's biggest busisystems, including brake and with participation by all parties
ness. Since the acquisition of fuel lines for the automotive in the development process. Bundy Corporation by TI in April industry, refrigerator condensers. Using integrated manufactur-1988 - adding to TI's existing evaporators and freezer shelf ing systems - cellular structures small diameter tube business in systems, high pressure fuel and and just-in-time techniques the UK and Europe - operations hydraulic lines for the aerospace tight control is maintained from manufacture of the base material

tries, employs over 6,000 people systems that are ready for and has a turnover approaching immediate installation, using sophisticated manipulating technically systems. Tresident, and Managing Director of Bundy immediate installation, using sophisticated manipulating technically systems. ques to form single tubes and of technologies and our exten-clusters of up to six lines into a sive development programme, tries, Bundy designs, develops and manufactures engineering solutions to fluid carrying problems.

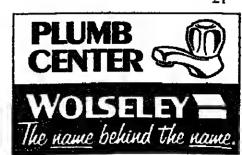
The integration of its Inscinances The integration of its businesses the technology. Test facilities are to customers, providing them has created a worldwide network used to cover all aspects of Bundy's of centres of excellence in specific systems from metallurgical cortechnologies and materials. As a rosion to pressurisation and systems that will continue to

> current density in a £1 million continue to improve the strength investment programme and an of our business and the competiextensive research programme tive position of our customers



FINANCIAL TIMES MPANIES & MARKETS

Friday April 7 1989



It was only hy striking a deal

with unions that Mr Ueberroth was able to raise the finance for

his bid and the purchase announced yesterday was condi-

tional on formal return-to-work

agreements being signed by April Once these agreements were signed, Mr Ueberroth would pay

Texas Air \$200m in cash and for-give inter-company debts with a face value of about \$256m.

To offset most of this purchase price, the group would receive the \$365m in cash proceeds from the recently-agreed sale of Eastern's New York shuttle operations. But Mr Ueberroth and of his partners would also take over responsibility for all of Factorn's outstanding liabilities.

Eastern's outstanding liabilities. Eastern's outstanding debt secu-

rities alone come to about \$185m.

For Mr Lorenzo, the sale of Eastern would mark the end of a

dream which began when the air-line business was deregulated in 1978. Texas Air, which started as

little more than a shell company

Ueberroth in

A GROUP led by Mr Peter

Ueberroth, the former US base-ball commissioner, agreed yester-day to buy the bankrupt Eastern Airlines for "about \$460m". The long-awaited deai,

announced in New York yester-day after two weeks of specula-tion, was a financial relief, but also a bumiliating symbolic defeat for Mr Frank Lorenzo, the chairman of Texas Air Corpora-tion, Eastern's parent company.

Mr Lorenzo, who became the dominant figure in the US airline industry in the 10 years since its

deregulation, was seen by many Americans as a symbol of the ruthless anti-union attitudes of

the Reagan era. His decision to sell Eastern

atemmed directly from a strike

by the airline's machinists and pilots which began last month and was arguably the clearest victory for US organised labour in 10 years.

The crucial element in Mr Ueb-erroth's bid for Eastern was an

agreement with its unions under

which labour would end up own-

ing an expected 30 per cent of the

deal to purchase

Eastern Airlines

INSIDE

B&C believes purity will pay



John Gunn (left), chair-man of British & Com-monwealth Holdings, declared himself "extremely pleased" with the financial service group's performance in 1968, despite a 6 per cent decline in pre-tax profits. This fall, he pointed out, was entirely attributable to writing off goodwill, and he said the benefits of reshaping B&C into e pure financial services group would become more apparent in 1989, Page 25

Beware of idle March

When it came to trading activity in the European merkets last month, there was no need to beware the ides of March. It was more a question of euryiving idle March. Indeed the 15th dey of the month — the ides in question — proved one of the few sessions when bourses saw a decent level of volume. Once again, investors in Europe were held in thrall by economic developments across the Atlantic, where a series of statistics set off unfounded litters about February's consumer price inflation, writes Allson Maitland. Page 43

German businessmen lose the blues



CONTRACT REPORT OF THE PROPERTY OF THE PROPERT

look as if West Ger-man businessmen to moan. At the armual Hannover ndustrial Fair this week, news from heavy industrial groups like Hoesch, Thyssen, Mannes-mann and Fried

Krupp, was monotonously good: higher dividends, faster growth, exciting diversification.

David Goodhart explains why the debate over
Standort Deutschland — rising production
costs in Germany — has come to such a sudden end. Page 22

A Soviet soft sell

Ninento, the Japanese video game manufacturer, is to offer through its American subsidlary the first ever video game developed in the USSR. Page 23

Looking beyond Sweden



. . Y

Swedish When Jacob Palmstierna (left) for-mally takes over next Topeday an group chip executive and chalring at Skandinaviska

The state of the bord of the bord of the state of the bord of o make Sweden's leading commercial bank

goal he has devoted himself to in recent years, as president of the bank and a member of its executive manageas a weakness to be corrected. Page 25 .

Market Statistics

Companies in this section

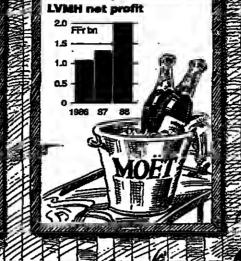
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BDDP	27		34
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Guinness raises LVMH stake

By Lisa Wood in London

GUINNESS yesterday unveiled a pre-tax profit of £521m (\$886m) for 1988, a 28 per cent increase on the previous year, and disclosed it was taking its interest in Moet Hennessy-Louis Vuitton (LVMH), the French luxury products group, to 24 per cent.

The British-based drinks

group, which will have spent more than fibn on building its stake in LVMH, already holds stake in LVMH, already holds 19.8 per cent of its fully diluted stock through Jacques Robert, a joint company with Financière Agache, the French group headed by Mr Bernard Arnaut, the new LVMH chalman.

Guinness now plans a £190m purchase of a 16.8 per cent stake in Christian Dior, the high fashion house subsidiary of Agache, which holds that company's investment in LVMH through

investment in LVMH through

Jacques Robert. The investment in Dior is equivalent to a further 4 per cent in LVMH.

Guinness said that while its stake in Christian Dior further associates it with luxury products the stake had been taken primarily as a method of increasing its investment in LVMH. Guinness, which does not expect any dilution of earnings as a result of its total planned

investment in LVMH, has built up the stake to protect important joint distribution agreements with one of France's most prestigious champagne and cognac pro-ducers. The continuity of these could have been threatened by the internal squabhles which have rocked LVMH for the past

group, which has invested heavily in LVMH. But the move will also retain Agache's majority control of Jacques Robert, with Guinness holding 45 per cent. Guinness's investment in

LVMH contributed £21m to the British group's £521m pre-tax profits for the year to December 31, a performance which was well ahead of City forecasts. The group's share price closed at 432p, up 7p. LVHM yesterday also reported profits for 1988, showing a 49 per cent rise at the net level

to FF2bn (6316m).
During 1988 Guinness made substantial changes to the worldwide distribution arrangements for its portfolio of spirits brands — terminating hundreds of agreements to replace them with Guinness'a new stake will help either joint ventures or wholly-re-finance the ambitious Agache owned enterprises. In addition it

Scottish hotel, an unchanged 2 per cent. The most notable regional growth came from Asia

in 1988 (£54m).

The company for the first time has included the cost of acquired

increased prices of its Scotch brands as part of a strategy of increasing margins and repositioning them as luxury products. Joint ventures included those in Japan and the US with LVMH. Turnover for 1988 was £2.7bn compared with £2.27bn in 1987. Spirits contributed 63 per cent of this (compared with 59 per cent), brewing 35 per cent (39 per cent) and the commercial division, which incindes Gleneagles, the

brands in the accounts at \$1.4bn. Lex, Page 20; LVMH results, Page 23

tations by a string of operations

designed to raise money at various levels of his cascade of hold-

ing companies.

The Dior placing was viewed as one more in this series. The failure of his FFr2.4bn Au Bon

Marché issue last winter was a

further sign that investors'

With the development of direct outlets, possibly in the US and

London, Dior can hope for rapid

patience had run out.

in the early 1970s, grew rapidly after deregulation by buying up struggling carriera and slashing both their prices and their labour company's equity and would have a voice in its management in return for pay concessions. Matra chief hangs up Pacific with a near 70 per cent rise in operating profits to £91m his football boots

By Paul Betts in Parls

MR JEAN-LUC Lagardère, chairman of Matra, the diversified French defence and electronics group, has decided to hang up his football boots after investing more than FFr300m (\$52.3m) in the Matra Racing first division football club.

The beavy cost of the club and its disappointing performance in the French football league and cup despite its highly paid stars finally persuaded Mr Lagardère to give up his ambition of running a major professional club in the way Flat and the Agnelli brothers have done so successfully in italy with Juventus. Although the decision has

circles, it has been welcomed by the bourse and financial analysts. Last week, the Matra share price rose by 5 per cent on rumours that Mr Lagardère was planning to withdraw from football. The club was costing Matra

about FFr80m a year and produced little return for the group in terms of image and publicity. Apart from its own disappointing track record, the crisis of French soccer in general has made major

sponsors increasingly wary about investing large sums in the busi-

The elimination of Matra by a second division club in the French cup at the end of last month appears to have been the final straw for Mr Lagardère, who has always been a passion-

ate football fan. Eight years ago he took over the Racing Club of Paris, which he renamed Matra Racing. At that time when French football was at its zenith and Michel Platini reigned supreme over its des-tiny. It was also a time when Matra was diversifying heavily from its traditional defence and missile manufacturing

operations. This diversification, including in football, has never been alto gether happy for Matra.

More recently, Mr Lagardère has been refocusing his businesses on a number of core industrial sectors including defence, transport and electronics and communications at the same time as actively negotiating important new European industrial alliances.

Fashioning a new role for Dior By George Graham in Paris

CHRISTIAN DIOR is still the haute couture and accessories house it always was, but as yes-terday's announcement of net consolidated 1988 profits of FFr384m (\$59m) made clear, its fate is now inextricably linked with LVMH, the drinks and lux-

Direct earnings from Dior's fashion and accessories activities rose 44 per cent to FFr89.8m, but most of the profit came from Dior's indirect LVMH stake, held through Jacques Rober, its joint holding company with the UK's Guianess group: Mr Bernard Arnault's Agache

group has turned Dior into the vehicle for its LVMH holding. Dior said the increase in direct earnings, greater than brokers

expected, was due to a policy based on the quality and creativ-ity of its products and the development of its direct sales activi-

Many French analysis agree, for Dior sells most of its prod-ucts through licences, with only glittering Avenue Montaigne as a direct outlet, and, therefore, has room to develop this aspect. The haute conture business, started by Mr Christian Dior in 1947, and continued after his death in 1957 by Mr Marc Bohan and Mr Frédéric Castet, is a form

of loss leader, only indirectly profitable because of the brand image it builds for Dior's other sales: 71 products including spec-

Even at Avenue Montaigne, over 30 per cent of sales are accessories, rather than clothing. Direct distribution is the area where most profit is to be made in the luxury goods business, as Louis Vuitton, the luggage divi-sion of LVMH, has shown.

brokers Cholet Dapont said: "Christian Dior clearly has a card to play in the direct distrihution area, which is where Louis Vuitton made its fortune. "That is the challenge of the

hard to convince last summer, when a FFr3.3bn private placing organised by the Credit Lyonnais received a lukewarm response. Mr Arnault has irritated insti-

growth of its own earnings, apart from the flow-through of 1990s for Dior."
Institutional investors were profits from the LVMH stake. By the time it is floated on the stock exchange — expected within the next three years — investors may have more to put their money into than a vehicle for Mr

Maxwell revives plans to float Mirror Group papers this year

tacles, scarves and jewellery.

By Tony Jackson in London

MR ROBERT MAXWELL, the publisher, has revived plans for floating his Mirror Group newspapers on the London Stock Exchange. The floation, which analysts said could value the titles at up to £300m (\$510m), would probably be this year, Mr Maxwell said yesterday.

Mr Maxwell has abandoned his previous plan for Mirror Group.

previous plan for Mirror Group, which involved Maxwell Communication Corporation (MCC), his publicly quoted company, buying the newspapers from his private Liechtenstein-based Maxwell Foundation and paying for them with MCC shares. The plan was part of his much-publicised target of £3bn-5bn sales for MCC by the end of 1990. That ambition has now been

December showed a 28 per cent

op net brought the year's total to 12p, down 2p from last year. The year end has been moved three months to end-March, and Mr Maxwell said there would also be a final payment, which he fore-cast at a further 6p.

Mr Maxwell explained that sales projections had haen reduced because of MCC's recent

switch of emphasis from printing to publishing. Last year saw the acquisition of US publisher Mac-milian for \$2.5bn, and Official Airling Guides (OAG) for \$750m. abandoned as well. "My target of £35h-5bn was meaningless," Mr Maxwell said yesterday. "The real target was to become one of the world's ten biggest media corporations: "Sales this year, he said, would be around £1.2bn.

MCC's results for the year to acquisition of US photoser Machen in the millan for £2.5bn, and Official for £2.5bn, and offici Both deals were constructed as off-balance sheet transactions. Mr Maxwell said he now planned to consolidate Macmillan fully by the start of September, and OAG

Since end-1987 the group had spent \$3.5bn on acquisitions. Dis-posals since that time had realised \$Libn. Mr Maxwell said "we expect to realise a further \$600m from disposals currently under negotiation. In addition we expect to realise more than \$1bn expect to reasse more than sign from the disposal of Maxwell Graphics and of British Nawspaper Printing Corporation".

BNPC is in the process of being sold to Mirror Gronp, for an undisclosed sum. Maxwell Graphics control of the process.

ics comprises the printing interests in North America.

Mr Maxwell said there would be "massive synergies" from the combination of Macmillan with

the group's existing publishing interests. Whereas Macmillan had previously confined its direct selling to North America, it would now move to direct marketing worldwide. All general books currently published by Macmillan or Maxwell are now to be published under the imprint "Maxwell Macmillan".

EVC unveils profits rise of 160%

By Peter March in Brussels

EUROPEAN Vinyls Corporation, jointly owned by Britain's Impe-rial Chemical Industries and Enichem, the Italian state-owned chemicals group, yesterday unveiled a 180 per cent rise in operating profits last year to DM418m (\$223m).

The announcement, which underlines the buoyant state of the West European chemicals industry, was made at the first public discussion of the state of EVC's finances since its formation in 1996. Brussels-based EVC was set up

as a result of the merger between the two parent companies' production businesses in polyvinyl chloride — a widely-used plastic.

PVC annually, while about 20 per cent of about

This made EVC Europe's biggest producer of the material. EVC's operating profit for 1988 was well np on the DM153m made in 1987. Sales were DM2.28bn in 1988, compared with DML87bn the year before.

Mr John York, chief executive,

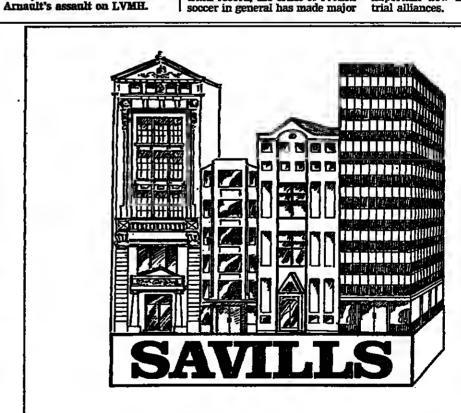
said the figures showed that the merger had succeeded. EVC has 12 manufacturing sites - six in Italy, three in Britain, two in Germany and one in Switzerland - and employs

It makes about 1m tonnes of PVC annually, which gives it about 20 per cent of Western EVC was formed owing to over- acquisitions last year.

capacity in plastics in Europe in the early 1980s. Many plastics businesses, including the PVC interests of ICI and Enichem, were making heavy losses. Since the mid-1980s, the plas

tics sector generally has improved. Many companies, RVC included, have cut back capacity and demand has surged as a result of buoyant economic con-

Mr. York said 1989 would be a more difficult year for his company than in 1988 but he pre-dicted profits would stay at a healthy level. Turnover in 1989 was likely to grow to shout DM2.8bn because of some small



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Thompson sells remaining Hillsdown Holdings stake

MR DAVID THOMPSON, tha 53-year-old co-founder of Hills-down Holdings, yastarday placed the ramaining 14.5 per cent staka which he and his family hold in the food, furniture and property group.

Tha placing was done yester-day morning at 255p e share, a 6.6 par cent diacount to Wadnasday's night's closing level. One of the largest plac-ings of a personal stake, it nets Mr Thompson and his family just ovar £154m (\$262m). Mr Thompson yesterday said the stake had been sold

because he had been aware for some time that speculation relating to the holding had bean detrimantal to market rating of the company's shares. Hillsdown itself was quick to express its appreciation. "It's

very good news," commented chairman, Mr Harry Solomon.
"It removes the overhang."

None of these is expected to emerge with disclosable stakes in the group. The compeny's shares eased just 3p to 270p on the news. Mr Thompson, who was recently ranked as the 19th richest man in Britain in a

Sunday Times magazine survey, will now step down from

his position as a non-executive

director on Hillsdown's board, Yesterday's placing was carried out by stockbrokers Smith Naw Court, rather than tha company's brokers, Hoare Gov-att - suggesting that Mr Thompson was, to an extent, acting independently yester-

The brokers said the placing was smooth, and that the shares went to some 50 to 60 UK and overseas institutions.

Mr Thompson, whose family originally owned a meat trad-ing business, founded Hills-down in conjunction with Mr Solomon in 1975. After buying some sizable but poorly-per-forming food food sector assets, the company came to the market in early 1985, capitalised at £274m.

Mr Thompson, whose stake becama dilutad as a result. halved his then 30 per cant interest in the company in April 1987. On that occasion, he sold 55.4m shares at 260p apiece, raising £144m. He also stepped down as joint chair-man at that time, taking a

Nokia reshapes its operations

By Olli Virtanen in Helsinki

NOKIA, the Finnish electronics group which has beeen strug-gling to absorb recent acquisiions, has regrouped into six independent business units, each headed by a president with broad responsibility for its operations and davelop-

The shake-up, initiated by Mr Simo Vuorilehto, chairman and chief axacutive, elso involves reducing the group head office to the chief executive's office and support ser-

The six divisions are Nokia

by Mr Jacques Noels), Nokia Data (Mr Kalla Isokallio), Nokia Mobile Phones (Mr Antti nications (Mr Sakari Salmi-nen), Cables and Machinery (Mr Seppo Ahonen) and Basic Industries, comprising Nokia Paper, Nokia Chemicals and Nokia Rubbar (Mr Harry

Mildh). The appointments largely reflect previous duties of the executives concerned. Nokia's board will now consists of Mr Vuorilehto, the six presidents and Mr Pasvo Rantanen, who is responsible for Nokia's international relations and trade

The chief executive, says Mr Vuorilehto, will now have no more operational responsibili-tias. Dalagation "craatas greater clarity in the manage-ment system," he says.

The chief executive's office includes Mr Rantanen, Professor Matti Otala, who is in charge of research, develop-ment and technology matters, Mr Matti Saarinen, vice presi dent for corporate communications and Mr Taavi Heinil

Pakhoed slips but Smit cuts loss

By Laura Raun in Amsterdam

PAKHOED, the Dutch storage and transport group, yesterday revealed that its 1988 earnings slipped by 9 per cent whila Smit International,the salvage and dredging group, narrowed

The Rotterdam based Pakboed said uet income slipped to FI 62.66m (\$29.7m) in 1988 from FI 68.63m the year before, when profits were boosted by an extraordinary gain from the sale of Pandair International.

boosted its 1988 dividend by 30 per cant to Fl 5 a share because operating income from ordinary operations surged 60 par cent to F1 67.8m from F1 42.5m Higher earnings were predicted for this year.

Revenue surged 21 per cent to Fl 124.7m in 1988 from Fl 103.1m in 1987. Chemical product storage had higher turnover while crude oil storage was flat and oil products ale of Pandair International.

Pakhoed nevertheless At Smit International, losses

shrank considerably to Fl 49m in fiscal 1987/88 from Fl 234m in 1986/87. No explanation was given for the improvement and no revenue figures were dis-

The company passed a divi-dend for the second consecutiva year but foracast a break-even point in operating income in 1989. Smit, a world leader in ship salvage, has been hit by the slump in the offshore and shipping indus-

DAF lifts net profit by 133% to Fl 147m

By Kevin Done, Motor Industry Correspondent

DAF, the Dutch commercial vahicle mannfacturar, increased its net profit by 133 per cent to Fi 147.1m (\$69.7m) last year from Fi 63.1m in 1987, according to revised figures released yesterday.

The company, which is plan-ning to go public in May with an international equity offering and a listing on both the London and Amsterdam stock exchanges, raised its turnover by 37.7 per cent to Fl 5.2bn from Fl 3.77bn.

DAF took over the former

UK state-owned Leyland truck and Freight Rover van busi-nesses in April 1987.

The company said yesterday that it has decided to drop the Freight Rover and Sherpa names for its UK-produced yans, which will in future be known as the Leyland DAF 200 and 400 ranges with a consist-ent naming policy in all Euro-

pean markets.
Coinciding with the name changes DAF is introducing a 2.5 litre diesel engine in both turbo and naturally aspirated forms in the 400 range sup-plied by PSA, the Paugeot/Ci-troen car and light commercial vahicle maker. PSA will also

supply the transmissions. Mr Aart van der Padt, chairman of the DAF management board, said that demand for commercial vehicles in West Europa was expected to be "somewhat lower" than the record level reached in 1988.

KLM trims Fokker orders By Our Finenciel Staff

KLM Royal Dutch Airlines, tha 34.9 per cent state-owned Dutch flag carrier, has can-celled orders for four of the 10 F-100 fanlets it previously had agreed to acquire from Fokker. the Dntch aerospace group, after a dispute over extra penalties for dalivary delays by

the manufacturer. KLM added it was now "unlikely" that options previ-ously agreed for the acquisi-tion of five additional F-100s would be taken up.

German giants shake off the blues

David Goodhart sniffs an air of euphoria at the Hanover Trade Fair

ake a look outside,"
invited the West Gerinvited the West Ger-man chief executive pointing through the window to the glistening display of industrial might at the annual Hanover Industrial Fair. "Is that really the Slow Man of Europe?

On the company stands, and at the press conferences, the news is monotonously good: higher dividends, faster growth, exciting diversifica-

The debate over Standort Deutschland — rising produc-tion costs in Germany — which was still a keynote of many speechas last year, seems to have disappeared altogether.

It was left to the politicians and business association leaders to warn against further cuts in working time at the Fair's opening ceremony on Tuesday. Earlier in the day at the press conferences of four heavy industrial groups -Hoesch, Thyssen, Mannesmann and Fried Krupp - it seemed that businessmen had forgotten how to moan.

Hoesch indicated that it would follow Thyssen's lead and increase its 1968 dividend and that 1988 turnover had riseu 14 per cent to DM8.3bn (\$4.44bn), or 15 per cent to DM14.5hn including unconsol-diated businesses.

One such unconsolidated business - Hans Kolbe - in which Hoeseh took e 27 per cent stake last year, was the main new item on display. The company, which has a turn-over of DM400m and the largest domestic share of the circuit board market, is e typical example of a Mittelstand (medium-sized) company with a succession problem.

The current owner has no heir, so has decided to sell part of the business before the tax on such deals is nearly doubled next year. Hoesch executives are hoping that Kolbe's heavy capital requirements will increase its dependence and allow Hoesch to take e control-

ling stake. Down the road at Thyssen an increase in sales of at least 10 per cent for the current year was predicted. With virtually uo borrowings and accelerating profitability Thyssen is on the prowl for another big acquisi-tion. Fried Krupp has been ruled out, but Kloeckner & Co is still looking for a new

owner, and Thyssen itself has expressed an interest in Otto Wolf, the German metals

Parts of the German business press have decided that Mr Diether Spethmann, the Thysen thief executive, is getting too big for his boots. But unperturbed by accusations of megalomania Mr Spethmann is busy placing his considerable weight behind the futuristic 300 mph Transrapid magnetic railway — for which Thysen is main contractor.

rent year and a 20 per cent rise in orders in January-February. And even Fried Krupp, Germany's heavy industrial invalid, was able to announce a 20 per cent increase in first-quarter orders. Mr Gerhard Cromme, former head of the steel division and now chief executive of the whole group, said the strength of the West German economy was helping the company restructure after recent losses.

Krupp has recently sold one subsidiary to Mannesmann and

MAN set for 25% rise

MAN, the big West German truck, engineering, and steel trading concern, is on target for net profits of some DM250m (\$134m) this financial year, a further rise of 25 per cent, writes Andrew Fisher in

The Improvement is the result of a sharp rise in new business and the impact of the group's extensive restructur-

ing efforts.
Mr Klaus Götte, chairman, said in an interview at MAN's Munich headquarters: "The economy is developing well and we are participating fully in this. Practically all our operations are running at full

operations are running at Iunicapacity."

Net profits in the last financial year ended June 30, 1988, rose by 24 per cent to DM202m. Asked if the figure could reach DM250m or so in 1988-89, based on his aim of a 1.6 per cent return on turniver of some DM15 55m, he over of some DM15.5bn, he said: "I have no objection to this calculation." MAN's two higgest activities, trucks and printing machinery, have con-

The Government will decide later this year whether to spend the DM30bn required to make Germany's communications infrastructure even more impressive, and provide a showcase for the high-speed, engine-less train, which Thyssen then hopes to sell all over the world.

Less charismatic than Mr Spethmenn but equally admired by his peers is Mr Werner Dieter, chief executive of Mannesmann, who announced higher profit for the first two months of the cur-

tributed considerably to the group's surge in earnings.

In 1987-88, the truck division improved by DM100m from a hefty loss to a DM48m net profit: before tax, the turnround was DM150m. Mr Götte said trucks were again improving strongly this year.

For both trucks and printing machinery, he expected taxable profits of between DM250m and DM300m in 1988-89 after DM200m in Last year. Five years ago, their tributed considerably to the

year. Five years ago, their combined losses exceeded DM250m. The marine diesel division should also make a small profit this year, its first since the early 1980s.

since the early 1980s.
Mr Götte said he hoped for Federal Cartel Office approval of MAN's planned purchase of the marine and land diesel activities of Sulzer of Switzeractivities of Suzzer or Swizen-land. With the marine engine market libely to recover grad-nally, the MAN division, aug-mented by Sulzer engines and menty, the MAN division, augmented by Sulzer engines and the stake in France's Pielstick, should produce steadily higher results, though "not super profits."

further divestments can be expected.

The other less healthy company, Klocknar Werke, was yesterday claiming to have turned the corner after losses of DM390m in 1986-87. Despite operating profits of DM131m in 1987-88, the company only broke even after various exceptional costs, but in the current

year earnings of over DM100m are expected. Although the Ruhr-based industrial giants have substan-tially reduced their dependence. on steel in recent years, a

booming steel market is still a hig bonus and has allowed two price increases last June and January. According to Mr Ragracht

Vendran, the normally gloomy president of the Steel Employ-ers Association, the boom is not about to peter out. Raw steel production was up a fur-ther 2.4 per cent in the first quarter.
As a recent German Cham-

bers of Commerce survey bers of Lammarce survey revealed there ie enormous confidence about 1982. Just before the Hanover Fair opened another survey, by Manager Magazin and Roland Berger consultants, declared that of the 20 companies best prepared for 1993 five are German, including at the top of the list Kulme & Nagel, a tranport firm half-owned by Lonrho, in second place was Nestle, followed by SKF and Dentsche Bank.

Deutsche Rank. The consultants sent e compier 11-page questionnaire to more than 600 companies and got replies from about 150. The three other German companies in the top 20 were Henkel, Daimler Benz and Bayer. The only two UK firms were Ocean Transport & Trading at num ber five, and Barclays Bank at

here were one or two 1992-related fears tucked away in the opening speeches. Most notebly Mr Dieter of Mannesmann pointed out that he has to pay DM98 in environmental costs on every tonne of steel tube while his French competitors pay only DM52 per tonne. He pointed out earlier that Germany's exports of investment goods to the EC are more than all of France's EC exports out together, so the burden is

clearly not crippling.
However, confidence, bordering on euphoria, at Hanover is badly timed. Mr Franz Steinkuhler, leader of the giant IG Metall trade union, will be problem bard for the 22 hour pushing hard for the 35-hour week early next year. The employers insist that they can

pay more money but cannot budge on hours. But they will almost cer-tainly have to concede something on working time, even if the union also has to accept greater flexibility. The atmosphere in Hanover will not have strengthened the employers' resolve.

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NV. Koninklijke Nederlandsche Petroleum Maatschappij

ANNUAL GENERAL MEETING OF SHAREHOLDERS

to be held on Thursday 11th May, 1989, et 10.30 a.m. in the "Nederlands Congresgebouw", 10 Churchiliplein, The Hague, The Netherlands.

AGENDA

- 1. Annual Report for 1988.
- 2. Finalization of the Balance Sheet and the Profit and Loss Account together with the Notes thereto for 1988 and declaration of the final dividend for
- 3. Appointment of e member of the Board of Management.
- 4. Appointment of a member of the Supervisory Board.
- 5. Appointment of a member of the Supervisory Board.

The documents referred to under items 1 and 2 are available for inspection and may be obtained free of charge at:

- tha Company's office, 30 Carel van Bylandtlaan, 2596 HR The Hague; - the offica of Shell Oil Company. Transfer Agant, One Shell Plaza, P.O. Box 53608, Houston,
- the haad offices of the banks stated

The nominations for the appointments refamed to under items 3, 4 and 5 are available for inspection et the Company's offica.

The nomination for the appointment referred to under item 3 lists Mr. C.A.J. Herkströter first and Mr. A. Heeneman second, that for the appointment referred to under item 4 lists Mr. T.C. Braakman first and Mr. J. Klootwijk second, and that for the appointment referred to under item 5 lists Mr. K.V. Cassani first and Mr. A.P. de Geus second.

REGISTRATION

A. Hulders of share certificates to bearer may attend tha meeting if their share certificates, or evidence that their certificates are hald in open custody by Da Nederlandsche Bank N.V., are daposited against receipt not later than 5th May, 1989, at one of the institutions mentioned below, viz.:

In the Netherlands: Algemene Bank Nederland N.V.; Amsterdam-Rotterdam Bank N.V.; Bank Van der Hoop Offers N.V.; Bank Mees & Hope NV; Kas-Associatia N.V.; Pierson, Heldring & Piarson

In Austria: Creditanstalt-Bankverein, Österreichische Länderbank AG, Schoeller & Co., all in Vienna.

In Belgium: Société Générala de Banque S.A., Crédit Lyonnais, Kredietbank N.V., all in Brussels.

In the Federal Republic of Germany: Deutsche Benk AG, Frankfurt/Main, Düsseldorf, Hamburg or Munich; Dresdner Bank AG, Frankfurt/Main, Düsseldorf, Hamburg, Munich or Saarbrücken; Deutsche Bank Berlin AG, Barlin; Bank für Handel und Industrie AG, Berlin; Deutsche Bank Saar AG, Saarbrücken.

In France: Lazard Frères & Cie, Paris.

in Luxemburg: Banque Internationale à Luxembourg S.A., Luxemburg.

in Switzerland: Schweizerische Kreditanstalt, Schweizerische Bankgesellschaft, Bank Leu AG, all in Zürich; Schweizerischer Bankverein, Basie; Pictet & Cie, Geneva.

In the United Kingdom: N.M. Rothschild & Sons Limited, Landon.

In the United States of America: Shell Oil Company, Houston, Texas.

B. Holders of registered shares of The Hague or Amsterdam Ragistry may attend the meeting if they make their intention to do so known to the

Company et its office in writing not later than 5th May, 1989.

Holdars of registered sharas of New York Registry who are of record may attand the meeting if they meka their intention to do so known to the Company at the office of Shall Oil Company in writing not later than 4th May, 1989.

C. Holders of certificates for "New York shares", which are depositary receipts issued pursuant to an agreement dated 10th Septamber, 1918, under which Tha Chase Manhattan Bank, N.A. is successor depositary, may attand (but not vote at) tha meeting if thair certificates for "New York shares" are deposited against receipt not later than 4th May, 1989, at the office of Shall Oil Company.

D. Usufructuaries and pledgees: what is stated above undar A and B regarding registration is correspondingly applicable to usufructuaries end pledgees of bearer shares or registered shares, but only if they have voting rights.

POWERS OF ATTORNEY

Those who wish to have themselves represented at the meeting by a proxy must not only comply with what is stated . above undar A. B. C and D respectively, but must also deposit a written power of attornay not later than the last day of registration applicable to them (i.e. 5th nr 4th May, 1989) at the Company's office, at the office of Shall Oil Company or at the above-mentioned banks. If desired, forms which are obtainable free of charge at the Company's office, at the office of Shell Oil Company and at the banks may be used for this purpose.

The Hague, 7th April, 1989

The Supervisory Board



BRITISH & ... COMMONWEALTH

British & Commonwealth Holdings PLC

Preliminary announcement of unaudited results for the year ended 31 December 1988

HIGHLIGHTS '

	1988	1987	Increase
PROFIT ON ORDINARY ACTIVITIES before taxation and goodwill amortis	ation £164.7m	£145.5m	13.2%
EARNINGS per ordinary stock unit	261p	22.5p	16.0%
DIVIDENDS per ordinary stock unit:	9.25p	8.0p	15.6%

66I am pleased with the results for 1988 which endorse our confidence in the underlying strength of the Group: The changes in the constitution of the Group during 1987 and 1988 mean that B&C is now entirely a financial services group. In 1989 B&C will be trading for its first full year as an entirely financial services group and as a result. of the changes in the Group's constitution, it is likely that operating profits will have a different

We believe that B&C is in a strong position to record further progress. Due to the excellent spread of businesses in the Group the long-term prospects. are good, 99

seasonal pattern than previously.

John Gunn Chairman

INTERNATIONAL COMPANIES AND FINANCE

LVMH increases profits by 49% and lifts dividend

Je Plue

MOET Hennessy Louis Vuitton cent rise in net profits last (LVMH), the French champagne cognac, perfume and luxury products group vester the mito account the Guinness increase in consolidated net stake rise by 34 per cent to profits to FFr2hm (\$317.4m) last. FFr4.24bm.

year from profits of FFri 3hm the previous year.

The group, which has been shaken by a fierce boardroom battle during the last year, also announced a 37.5 per cent increase in its net dividend payout to FFr44 a share this year.

Group sales increased by 24 per tent to FFri6.4bn last year, while turnover during the first two months of this year rose by 20 per cent to FFr2.76bn compared with the first two months of the previous year.
-The breakdown of the

group's pre-tax operating profits shows that the Louis Vuit-LVMH said its 12 per cent its shows that the Louis Vuit-stake in Guinness, the UK ton-luggage and luxury acces-drinks group, had directly con-tributed an additional 5 per single biggest profit rise last

year.

Operating profits of this subsidiary rose by 69 per cent to FFr1.458bn on a 50 per cent increase in sales to FFr3.58bn. Operating profits of the champagne and wine section roae by 8 per cent to FFT1.042bn on a 10 per cent rise in sales to FFT4.876bn last

The boardroom struggle has now gone to the French courts, with Mr Bernard Arnault, the new chairman, seeking to change the statutes of the Louis Vuitton subsidiary to force Mr Henry Racamier, the veteran head of the Louis Vuit-ton side, to resign.

Murdoch to sell some US titles

By Anatole Kaletsky

MR RUPERT Murdoch's News Corporation is seeking buyers for several of its US magazines as part of an asset disposal and debt reduction programme. Analysis said News Corp could raise as much as US\$500m for its travel and

hotel industry trade publica-tions, for which the company said yesterday that it had received offers. It is considering these bids at present, but denied reports that some of its consumer magazines and news-papers might also be for sale. Yesterday's announcement followed speculation on Wall:

Guide, Seventeen and The Daily Racing Form, for \$3bn last summer.

Since then Newa Corp, which had previously been one of the most acquisitive companies in the global media industry, has sold magazines and property assets worth around \$500m.

Some of these proceeds, how-

would honour the pledge it made last year to reduce its \$755 debt by about \$155 by the middle of 1989.

The promise was made shortly after the company's continuous after the company's produced Publications. tional acquisitions. And earlier this year Mr Mnrdoch announced a much more ambitious and complex plan to create a new international media acquisition of Triangle Publica-tions, the US publisher of TV Guide, Seventeen and The acquisition vehicle.

analysis to be considering the sale of some of its general con-sumer publications, including The Star, a sensational weekly tabloid sold in supermarkets, and possibly even Seventeen, which it acquired as part of Triangle. But yesterday's announcement seemed to exclude these possibilities, at least for the time being.

neat rows.
Nintendo is the dominant Intel to build computer for US defence

> Nintendo America said there were no plans to sell Nintendo

closely linked processors that share the computer's load.

Advanced Research Projects
Agency (Darpa). Intel will
develop a prototype system
that will ultimately offer performance levels 100 times

By Louise Kehoe

greater than today's most pow-erful computers.

The agency will contained a \$7.6m in research funds in the next three years as part of the programme's approximate

INTEL, the US chip manufacturer is to develop an extraordinarily powerful computer for the US Defence Department Under the terms of a contract with the Belence A significant portion of the funds will go towards develop-ing software that makes the super-powerful computers as easy to use as today's com-puter workstations, Intel said. Touchstone, as the computer

development project has been named, will be a "massively

parallel" computer system.

We expect this project to improve parallel computing performance levels 100 times over what they are today as well as create the software environment to give these powerful machines the look and feel of conventional systems," said Mr Justin Rattner, an Intel engineer.

"The early prototypes will focus on computers with hun-dreds of processors, proving the technology for systems with thousands of processors

New England utility makes \$2bn bid

By Karen Zagor In New York

NEW ENGLAND Electric healthy profits. setts utility, has bid more than cash, \$210m in securities and a \$22n for the non-Seabrook contract to purchase power operating assets of the beleaguered Public Service of New \$850m. PSNH will be left with

Hampshire.
PSNH was forced into Chapter 11 after it was barred from including the hefty debt from its Seabrook, nuclear plant in its rate base. Without its Seabrook burden it would make operations. Mr John Duffett, president and chief executive of PSNH, said the company had received a substantial bid worth around \$20n from Northeast Utilities,

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about \$100m of cash from

operations.

and expects other offers to folealthy profits.

The offer includes \$1.19bm in low.

"We have an obligation to give those proposals due con-sideration," he said.

shire utility is particularly attractive to New England Electric because the peak demand in New Hampshire comes in winter rather than New England's peak summer

Soviet video Bond sells holding in BHP Gold game 'set to storm the world'

By Louise Kehoe in San Francisco

NINTENDO, the video game manufacturer, said yesterday if will offer the first ever video game developed in the USSR and predicted that the game, called Tetris, will become one of its all-time big sellers.

Nintendo America, the US subsidiary of the Jepanese manufacturer, said the company had entered into a world-wide exclusive licensing agree-ment with Elorg, the Soviet Foreign Trade Association, to

Mr Minoru Arakawa, Nintendo president, said the game had already sold more than 100,000 copies for use on home computers in the US and won numerous industry awards. Elorg and Soviet trade mis-

sions to the US have been actively seeking arrangements to sell computer software in the West as well as agree-

ments to export US-built com-puters to the Soviet Union.

The Nintendo agreement is the most significant announced to date and is likely to boost interest in Soviet software, overcoming widespread scepticism.

Tetris cartridges will be

available from Nintendo in the near future; the company said. The video game challenges players to race the clock to arrange falling blocks of vari-ons shapes and colours into

force in the US and Japanese video games market with 1988 American sales of \$1.7bn. The company has been forced to postpone plans to launch its video game products in Europe due to overwhelming demand in the US as well as component shorteges.

video games in the Soviet

Heavy loss for Amoco Canada By Robert Gibbens

in Montreal

A HUGE increase in interest costs for last year's \$C5.2hm (US\$4.4bn) acquisition of Dome Petroleum has bought a heavy loss for Amoco Canada

The fully-owned subsidiary of Chicago's Amoco Petroleum reported a net loss of C\$52m for 1988, against a profit of C\$146m the previous year. Amoco Canada acquired trou-1988, and its results were included for four months. Amoco Canada is carrying C54bn of new debt issued for

the Dome takeover, and interest expenses last year jumped to \$233m from \$51m in 1987. DIVESTITURE IMPLEMENTATION COMMITTEE

The consortium said It

Australian entrepreneur whose Bond group of companies is under financial and other pressure, yesterday continued his string of asset sales with the A\$34.7m (US\$27.8m) disposal of a stake in BHP Gold.

The disposal follows a series of announcements in recent weeks relating to Royal assets. BHP Gold is 55 per cent owned by Broken Hill Propri-etary, Australia's largest com-

ied Australian purchaser, the rest to international institu-

pany, and is involved with two of Australia's largest gold mines, Boddington and Telfer. The Bell stake, acquired when Bell built up a large holding in BHP, was equivalent to 7.5 per

cent of the company.

In a swirl of other recent selling activity, Bond a month ago abandoned an assault on Lonrho of the UK and put its 20 per cent holding on the market for around £365m (US\$621.4m). Bond has also reduced its

The BHP Gold sale, by the Bond-controlled Bell Resources, was of 72.25m immediate financial commit-ments in the big Chifley shares at 48 cents a share, about 3 cents below market levels. More than half the holdin Sydney, and reversed a con-troversial deal involving coming went to a single unidentif-

It is said to be considering the sale of its Bond Centre huilding in Hong Kong as

(At an extraordinary general meeting yesterday of share-holders in Bond Corporation International, the group's quoted Hong Kong arm, Mr Peter Lucas, BCI managing director, described the half-owned Bond Centre as one of lts higgest successes and added: "Bond Centre has fulfilled our expectation."
This week Mr Bond took the

unusual step of writing to Bond Corporation employees worldwide to reassure them that the group is "rohust and healthy."

In Australian television, Mr Bond holds hia lucrative licences through Bond Media, which among other things operates Channel Nine, one of three commercial networks.

The inquiry concerns the circumstances of e A\$400,000 defamation payout to Sir Joh Bjelke-Petersen, the former Queensland premier, as well as fake radio tapes submitted by Bond officials to the tribunal, and alleged threats by Mr Bond against the AMP, Australia's largest insurance and investment institution.

In February the tribunal said that on the evidence it was open for the trihunal to find against him. It listed 29 possi-ble findings of fact adverse to Bond, but deferred a formal

If its initial view prevails today, the tribunal can revoke, suspend or impose conditions on the licences. But it will not decide this until it has held further hearings in May. Revocation is likely to entail a fire-sale of the media assets, almost

Japan investigates Pickens Koito holding

By Stefan Wagstyl in Tokyo

By Chris Sherwell in Sydney

MR ALAN BOND, the

Australian entrepreneur whose

weeks relating to Bond assets.

It also comes a day before the Australian Broadcasting Tribu-nal, the country's radio and

television watchdog, is due to announce the findings of its lengthy inquiry into Mr Bond's fitness to hold his 15 radio and

talevision hroadcasting

JAPANESE regulatory authorities are investigating the acquisition by Mr T. Boone Pickens, the US corporate raider, of a Y152bn (\$1.2bn) stake in Koito Manufacturing, Japan's leading car lighting company and an affiliate of

Toyota Motor. The Ministry of Finance (MoF) is trying to discover how Mr Pickens acquired 20.2 per cent of the company. In particular it wants to know whether he has any connection with one or more groups of Japa-nese speculators who had previously accumulated unwel-come stakes in Koito.

The Tokyo Stock Exchange is examining trading in Koito shares last week when the price soared by 26 per cent in advance of the disclosure of the stake held by Mr Pickens through Boone Co, a private investment partnership.

A TSE official said such

investigations were routine after such an unusual movement in share prices. But for-eign stockbrokers said the involvement of a foreign corpo-rate raider in the market would make the exchange and the MoF more keen to get to the bottom of the affair.

Greenmailing - the process whereby raiders buy stakes in order to force target companies prices - is not illegal in Japan.

But the MoF has been trying to discourage the practice, which it believes is disruptive. its investigation could focus on whether Boone tried to disguise the size of its stake by using nominee accounts, a practice which is legal but

against ministerial guidelines.
However, it may prove a
vain hunt. Several market analysts believe that Boone
bought some or all of its stake from Japanese speculators, including Azabn Motor, a car sales company headed by Mr Kitaro Watanabe, a wealthy speculative investor. Azabu has in the past proved adept at disguising its holdings in Kolto which were once as high as an

estimated 30 per cent, well which stakes are meant to be disclosed.

Kolto has said it has no idea of Boone's plans. The only pre-vious attempt by foreigner to buy a Japanese group ended in failure when Trafalgar-Glen, a UK-US investor partnership

the ball bearing maker. Toyota has said it will not buy Koito stock at current prices. But the company has caved in to greenmailers once before – in 1986 it bought out a speculator who had build up a stake in Toyota Automatic

Atlas mines turns round after five years in red

By Richard Gourlay In Manila

ATLAS CONSOLIDATED Mining and Development, the Philippines' largest copper producer, yesterday announced the end of a five-year loss-mak-ing run as net income for 1988 reached 760m pesos (\$36.9m) compared with a loss of 173m pesos the previous year. Revenues increased 30 per

cent to 4.83bn pesos after rising 57 per cent in 1967. The results came as a boardroom battle moved up a gear with the announcement that a consortium headed by a prominent Filipino businessman has told the country's Securities and Exchange Commission (SEC) it holds 18 per cent of the company's common stock and has launched an attempt

to gain control.

The consortium, led by Mr
Alfredo Ramos, an oll explorer and publisher, is attempting to wrest control from Andres Soriano Corporation (Anscor), which, despite having less than 10 per cent of the company, exercises effective control through a lucrative management contract, according to industry officials.

planned to restructure the Atlas debt, which stood at \$180m at the end of last year, and terminate the Anscor con-tract. Shareholders are due to meet on April 23 to elect a new

By Peter Bruce in Madrid

CURRAGH Resources, the Canadian mining group, is negotiating to buy 20 per cent of Europe's biggest zinc pro-ducer, Asturiana de Zinc, a

Spanish group owned by Banco Espanol de Credito (Banesto),

bank officials confirmed yester-

Asturiana a year ago but floated off 11 per cent in a pri-

vate placement in London last October. The proposed sale to the Canadians would still leave

the bank in control of the com-

Banesto owned 82 per cent of

Curragh plans zinc stake

The move by the Ramos consortium came as San Miguel Corporation, a bastion of the Soriano family empire whose chairman is Mr Andres Soriano, is also under attack, this time from the SEC. The authorities have launched an inquiry into the possibility that officers of the diversified food and beverage group might have been involved in insider trading fol-lowing a sharp rise in the price of San Miguel A shares before announcement of-dividends-

The A shares jumped to 179 pesos from 155 pesos although-the one-for-one stock bonus and 80 centavos per share dividend were announced after the market closed. Mrs Rosario Lopez, the newly appointed SEC chairwoman, said San Miguel would also be asked to explain why it released the news of stock dividends before

informing the SEC.
The SEC's audit team will investigate whether those San Miguel officers with prior knowledge of the stock dividends might have been involved in transactions on Manila's two exchanges. San Miguel will appear before the SEC on April 11.

San Miguel refused to com-ment on the investigation but said it had informed the SEC on the day the board approved the distributions.

take a 5 per cent stake in Cur-

Asturiana de Zinc is the world's third largest zinc producer. It mines a high grade ore, chiefly in the south of Spain and has a smelting capacity of 25,000 tonnes a page. The Spanish group

year. The Spanish group, helped by a sharp recovery in

zinc prices, lifted its pre-tax profits to Pta 7.8bn last year from Pta 2.5bn in 1987.

Sales grew nearly five times to Pta 35.9bn. The two compa-

nies are also discussing the for-

mation of a joint vanture to

exploit a new mine in British

Alfa forms polymer joint venture with US group

By Richard Johns in Mexico City

GRUPO Industrial Alfa, Mexico's leading industrial conglomerate, and Himont of the US have agreed to form a 250bn peso (\$104.4m) joint venture to produce polypropolene for the domestic and export markets.

It is the first major expansion by Alfa since it completed a restructuring of its foreign deht last year, an exercise which wheel off \$1.5hm of external liabilities totalling \$2.7hm, and rationalised its business-

Alfa will have a 40 per cent. share, its affiliate Petrocel-30 per cent and Himont 30 per cent in a company called Indelpro. Its plant, using the US ogy, is to be located at Altamira in Tamaulipas.

Himont, with sales last year of \$1.8bn, is acknowledged as a further scope.

world leader in the production of polymers and, in particular, polypropylene. The joint venture is aimed at satisfying domestic demand for polypro-pylene, none of which is pro-duced in Mexico, and providing

additional export capacity.
Under its drastic rationalisation Alfa decided to concentrate mainly on steel, through its Hylsa subsidiary, and petrochemicals, a sector where major opportunities were cre-ated by the Government's-decision last year to open 36 product groups to investment by the private sector.

... A similar number of "basic petrochemicals" is reserved for the Petroleos de Mexico corporation's lack of invest-ment capital the private sector is optimistic about being given

BENETTON GROUP SpA

a company with registered office in Ponzano Veneto (TV) Italy, Via Villa Minelli, 1; authorized capital of Lire 81.360.212.500 and issued capital of Lire 74.776.737.500; registered at No. 4424 of the Companies Registered stry of the Court of Treviso.

NOTICE OF MEETING

1. To receive the reports of the Board of Directors and Statutory Audit To receive the Balance Sheet as of December 31, 1968 and the Statement of Income. for the year then ended, and related resolutions;

 To re-elect the Board of Directors, determining the number of Directors, their term of office and their remnueration; To re-appoint the independent auditors for the years 1989, 1990 and 1991 and fix their remuneration.

To attend the General Meeting, shareholders must, at least five days price the date set for the meeting, lodge their share certificates at the offices of Company or with one of the following institutions:

Company or with one of the following institutions:

Monte Titoli S.p.A., Barca Commerciele Italiana, Banca Nazionale del Lavoro, Credito Italiano, Banco di Roma, Istituto Bancario San Paolo di Torino,
Monte del Paschi di Siena, Banco di Napoli, Banco di Scidita, Cassa di Risparmio delle Provincie Lombarde, Banco di Sanno Spinto, Istituto Bancano
Italiano, Banca Popolare di Novara, Banca Nazionale dell'Agricoltura, Banca
d'America e d'Italia, Nuovo Banco Ambrosiano, Banco Lariano, Banca Popolare di Milano, Credito Romagnolo, Banca Popolare di Verona, Banca di
Trento e Botzano, Banca Manusardi & C. S.p.A., Banca Cattolica del Veneto,
Cradito Milanese, Banca Popolare di Pordenno,
Cesso di Risparnio della Marca Trivigiana, Banca Antonena di Padova e
Trieste, Banca Popolare di Asolo e Montebellura, Banca Popolare di
Pordito, Morgan Guaranty Trust Company, Deutsche Bank A.G., Barclays Bank
PLC, Société Générale, Banca della Svizzara Italiana.

Members of T.S.A. DEN NORSKE STATS OLJESELSKAP A.S. (STATOIL) FF750,000,000

Figating Rate Notes due 1993
In accordance with the terms and conditions of the Notes notice is hereby given that the Rate of interest for the interest Period 31st March 1989 to 30th June 1988 has been flored #9.0525% per amount. The jobsress payable go not relevant interest Payment Date, 30th June 1908, will be PF2,290,80 per FF100,000 Note and FF228.08 per FF10,000 Note. Banque Nationale de Faria p.l.s.
Reference Agent

THE TAIWAN (R.O.C.) FUND

Notice on Distribution for 1988

International Investment Trust Company Limited, the Manager of the Taiwan (R.O.C.) Fund (the "Fund"). hereby announces that it will not make a distribution in respect of the year ended December 31, 1988 because the amount of cash dividend and interest income received on account of the Fund did not exceed its expenses for

The Financial Statements of the Fund for the financial year ended December 31, 1988 may be inapected at the office of the Manager set forth below.

INTERNATIONAL · INVESTMENT TRUST COMPANY LTD. 17th Floor 167 Fu Hsing N. Road, Taipei, Taiwan, R.O.C. Telephone: (02) 713-7702 Telex: 13614 INTRUST Rax: (02) 717-3077

experienced international mining companies as that it is currently undertaiding to divest to **DUNKWA GOLDFILEDS LIMITED** GOLD DEDGING CONCERN SUBSIDIARY OF STATE GOLD MINING CORPORATION

REPUBLIC OF GHANA

al and financial information is evaluable for review at the mine Complete technical and financial information is evaluable for review at the nine also where the five (5) dredges are currently operating on the Offin Fiver near the City of Dunkwa located in the major gold province of south-western Ghans. A beald information package with investment Brochure, Ore Reserves. Financial Statioments, Personnel and Organization, Mining Concessions, Major Fued leases and Notes on Operations is available from State Gold Mining Corporation for US \$1000

[Information package shall be sent promptly by air courier]

als shall include information regarding the following:

benefits. Submittats are to be posted via air courier not later than the 1st of June. Submittats are to be posted via air courier not later than the 1st of June. 1988! Please provide selex advice to below addresses within 48 hours of date of posting giving courier document control data for timely follow-up in Ghana, if necessary.

Pinese direct one copy of proposal to each of the following:

State Gold Mining Coproration Chief Executive P.O. BOX 3534

TELEX: 2348 MINCOP ON

Notice of Redemption Hanil Bank U.S. \$50,000,000 Floating Rate Notes Due 1995

NOTICE IS HEREBY GIVEN that in accordance with Clause 5(b) of

the Terms and Conditions of the Notes the Issuer will redeem all of the Notes at their principal amount on the next interest payment date,

Repayment of principal will be made upon presentation of the Nores.

15th May, 1989, when interest on the Notes will cease to accrue.

with all unmatured Coupons attached, at the offices of any of the Paying Agents listed below. Paying Agents Bankers Trust Company, 30th Floor, Tower 1, Bankers Trust Company, 1, Appold Street,

Broadgare, London EC2A 2HE. Banque Internationale à Luxembourg 2. Boulevard Royal

1.2953 Luxembourg. CH-4002 Basle, Swigerland Accrued interest due 15th May, 1989 will be paid in the normal manner on or after that date against presentation of Coupon No 8.

Bankers Irus. Company, London Bankers Trust 7th April, 1989

Agent Bank

18, Harcourt Road.

Hong Kong.

Swiss Bank Corporation,

It is possible that in return for the sale, Asturiana would Sabic trebles net and plans public issue

SAUDI BASIC Industriea Corporation (Sabic), the king-dom's main industrial conglomerate, more than trebled net profits last year to SR3.2bn (\$854.8m) from SR1.02bn and is planning a public share offer to

By Our Financial Staff

raise further funds. The hoard has decided to issue shares representing 25 per cent of outstanding capital, but it gave no further indication on size, price or timing. Following a partial flotation of Sabic in 1986 the government retains a 70 per cent

Officials said Sahic would distribute 10 per cent of 1988 profits among shareholders and the shares, 50 per cent paid at present, would now be deemed 75 per cent paid.

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SAINT-GOBAIN

The Board of Directors of Compagnie de Saint-Gobain met on March 16, 1989 and approved the consolidated financial statements of the group for 1988. The key final consolidated figures for the group are as follows:

	1988	1987 Restated	1987
Sales	58 875	54 602	78 887
Operating Income	8 026	7 267	7 542
Income before tax and profit from the sale			
of oon-current assets	6 465	5 335	5 193
Net income from consolidated subsidiaries	5 061	3 489	3 642
Net income	4 044	2 523	2 523
Resources from operations (cash flow)	7 105	6 207	6 606
Capital expenditure oo plant			
and equipment	5 367	3 530	4 253
Total investment outlay	12 512	5 535	6 337
Total equity	24 974	18 950	18 950
Financial debt	9 493	10 259	11 979

1988 has been marked by the transfer to Compagnie Generale des Eaux of most of the contracting and services division of the group. This activity was significant in terms of its sales and its employees, but its contribution to results had remained marginal. In addition, the group disposed of Saunier Duval Eau Chaude-Chauffage in the second half of the year.

These transactions significantly modified the structure of the group. As a result, the 1987 consolidated financial statements have been restated to make them comparable with those of

Sales of the group, on a comparable basis, increased by 7% in French Francs and by 13% in local currencies. They are split: France internal market 31%, exports from France 13%, other European countries 36% and other countries 20%.

Operating income is stated after the depreciation charge of FF 3082 million (+8%) and a charge for provisions of FF 746 million (+30%). It is determined, since 1988, before interest expense and foreign exchange gains or losses.

Income before tax and before profits from the sale of non-current assets is stated after interest expeose (FF I 130 million) which has fallen by 13% compared with last year and reorganisation and other costs (FF 576 million) which are significantly lower than in 1987. Interest expense oow includes the remuneration of the non-voting participating securities issued

Net income from consolidated companies includes profits on the sale of non-current assets (FF 1 114 million) which are much higher than cormal mainly due to the disposal of Saunier Duval Eau Chaude-Chauffage. This caption is stated after a provision for income taxes of FF 2 474 million which is 22% higher than in 1987.

Net income is after deduction of FF 1 107 million for minority interests in the group's subsidiaries. Excluding profits on the sale on non-current assets, net income is some

Earnings per share based on the number of shares issued at December 31, 1988 are FF 70,41 against 57,13 for 1987.

Cash flow largely covers industrial capital expenditure. The doubling of total investment ootlay is partly due to the acquisition of minority interests in certain subsidiaries together with the acquisition of interests, often majority interests, io companies whose activities are complementary to those of the group,

Forecasts made for the whole of 1989 indicate a continuing good level of activity for the group and the consolidation of the improvement made in 1983 in profitability. The first mooths of 1989 confirm the satisfactory progress of the group's activities and its strategic development (acquisitions of Vetri and Eurocoustic in particular). The Board of Directors has also approved the statutory accounts of Compagnie de Saint-Gobain, the parent company (holding) of the group. These accounts show a profit of FF 839 million for 1988 against FF 558 million for

Accordingly, it will be proposed to the Annual General Meeting of Shareholders of Compagnie de Saint-Gobain, to be held probably in mid-June, the payment of a dividend of FF 13 to which should be added a tax credit of FF 6.50, a total of FF 19.50. This dividend will be payable in the first two weeks of July 1989. It will be proposed to offer to the shareholders the possibility of opting for a dividend payment by way of shares.

> COMPAGNIE DE SAINT-GOBAIN CORPORATE FINANCE AND INVESTOR RELATIONS DEPARTMENT

> > Tel. (33) (1) 47.62.33.33.

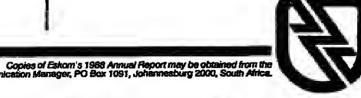
Eskom 1988 results

Eskom supplies more than 97% of the electricity used in South Africa. It also exports electricity to Botswana, Lesotho, Mozambique, Namibia, Swaziland and

(Figures in R million)	1988	1987
Electricity revenue	8,159	7,046
Interest and finance charges	2,485	2,137
Netincome	816	702
Accumulated reserve	8,127	7,311
Loans and other debt	22,757	20,802
Total assets	34,940	30,643
Current liabilities	3,879	2,375
Electricity sold (kW.h million)	129,493	122,524
Installed capacity (MW)	33,176	31,261

The prospects for consistent long-term growth of between 4% and 5% per year in electricity demand in South Africa are good.

DR JOHN MAREE. CHAIRMAN OF THE ELECTRICITY COUNCIL



Energy for Africa

THE AUTOMATIC IDENTIFICATION INDUSTRY

The Financial Times proposes to publish a Survey on the above on

10th May 1989

For a full editorial synopsis and advertisement details, please contact:

Jonathan Wallis

on 01-873 3565 or write to him at: iber One, Southwark Bridge London SEI 9HL.

FINANCIAL TIMES

INTERNATIONAL CAPITAL MARKETS

Managers face placing **Full Colour** Residential dilemma on Italy issue Advertising

By Andrew Freeman

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THE FUKUOKA CITY BANK LTD. (formerly THE FUKUOKA SOGO BANK LTD.) US\$59,000,000 144% Convertible

Bonds due 2002 ("the Bonds") ADJUSTMENT OF CONVERSION PRICE

Notice is hereby given, pursuant to Clause 7(H) of the Trust Deed dated 22nd June 1987 and to Condition 5(c)

22nd true 1907 and to Common Sign of the Bonds, that as a result of the issue of new shares at a price per share lower than the current market price, the Conversion Price of the Bonds has been adjusted effective as of

Conversion Price per state – Before adjustment Yen 1156.50 After adjustment Yen 1155.40

Furthermore, as a result of a free distribution of shares to be made to shareholders of record as at 31st May 1989 (Japan time) at the rate of 0.03 shares for each share held, the Convention Price of the Bonds will be

further adjusted effective as of 1st June 1989 (Japan time): Conversion Price per share --Before adjustment Yen I 155.40 After adjustment Yen I 121.70

The Pukuska City Benk, Ltd., Bicksts-ka, Fakuska,

7th April, 1989

By Missui Finance Trust International Limited as Principal Paying Agent

Brasilvest S.A.

Net asset value as of 31st March, 1989 per NCZ Share: 1,925.89 per Depositary Share: US\$17,765.29

per Depositary Share: (Second Series) US\$16,682.70

per Depositary Share:

(Third Series) US\$14,197.18

(Fourth Series) US\$13,263.18

1st April 1989, Japan time.

NEW ISSUE activity on the Eurobond markets took second place yesterday to attempts by traders to place existing paper.

iraders to place existing paper.
Nowhere was this more that case than in the Eurosterling sector, where Wednesday's £400m issue by the Republic of Italy continued to dominate.

Leading UK institutions continued to spurn the issue, and members of the syndicate headed by Credit Suisse First Boston reported very limited interest. Although it was harder to guage continental European demand, there was senticism over claims that significant sales had been made. nificant sales had been made into accounts there. Two wordes were central to

Two worries were central to debate over the issue. The belief that the investors with the largest appetite for long-dated sterling bonds, namely UK insurance companies and pension funds, have not been buyers of the Italy paper led to concern that existing holders, particularly those rumoured to be non-UK funds, will rush to sell their bonds at the first sign that sterling might weaken.

That this would severely That this would severely

damage the sterling bond mar-kets as a whole was indicated by the sharp widening of

YEN Great Belt (Denmark) & Societo Generale(c) &

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Final terms fixed on;
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Final terms fixed on:
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STERLING

spreads on the corporate debt market when news of the Italy deal was confirmed. The second worry was that a

INTERNATIONAL BONDS

group of the most powerful UK institutions was rumoured to have determined to resist the sales efforts of the syndicate until the spread on the Italian bonds widens to around 120 or even 125 basis points over the benchmark long gilt. "The pricing was wrong, and that has moved the entire market lower," said one fund manager. If the gilt market stays at current levels, CSFB, by its own admission the largest holder of the bonds, would face enormous losses on the issue if it had to place it at the price it had to place it at the price implied by a 120 basis point

Not unnaturally, the lead manager was braving it out. The bonds were trading in the market at 98.20 bid, a considerable discount to the issue price of 100% per cent, and a price at which the co-lead managers had to work hard to sell bonds

NEW INTERNATIONAL BOND ISSUES

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FT INTERNATIONAL BOND SERVICE

1994

100

Listed are the latest international bonds for which there is an adequate secondary market.

| Sund | Street | Property | Prop

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Average price change.

On day -0½ on week -0¾

without booking a loss.
Elsewhere, a deal which was signposted at the same time as signposted at the same time as the italy issue, was very successfully launched for Ferrovia dello Stato by San Paolo Bank. The Laooba floating-rate eight-year issue was quickly increased to Laooba in what an official for the lead manager described as "big, big demand."

Tax exemptions for Italian investors implied an attractive yield, based on current levels of London interbank bid rates and the ICM index of bonds on which the coupon is calculated,

which the coupon is calculated, of around 12% per cent on a compounded annual basis. Before the increase, the bonds were trading at 100.40 hid, falling to 100% bid, still a

sharp premium to the par issue

price.

Barclays de Zoete Wedd reopened the World Bank's £200m 11% per cent 2003 bull-dog issue, bringing a £35m tranche which was placed at an undisclosed price with a few an undisclosed price with a law UK institutions. It is understood that the paper was placed at a spread of ground 67 basis points over the benchmark gilt. The proceeds were swapped into floating-rate US dollars.

75/40hp is Ben San Paolo di Tor.

20/10bp LTCB Int. 1%/1% Nomura in

Nigeria raises bank reserve requirement

THE CENTRAL Bank of Nigeria has relied reserve requirements and minimum liquidity ratios for banks in a move aimed at minimizing inflationary pressures and stabilising the naira exchange rate, Reuter reports.

According to Mr Abdulkadir Abmed, the bank governor.

According to ar Angulance.
Ahmed, the bank governor,
banks' cash reserve requirements have been increased by
one percentage point. They
now range from 6 per cent for
banks with less than 160m
nairs of total deposits to 9 per
cent for those with deposits of
over 1bn nairs.

over 1bn mairs.
Minimum liquidity ratios
have been raised to 30 per cent
from 27.5 per cent for commercial hanks and to 22.5 per cent

cial hanks and to 22.5 per cent from 20 per cent for merchant banks, Mr Ahmed said.

The CBN would only approve payment of dividends from bank funds by banks maintaining a ratio of one to 10 between adjusted capital funds and total loans and

advances, as against a ratio of one to 12 previously. Banks are no longer allowed to grant domestic naira loans on the security of foreign guarantees or deposits or for-eign currency accounts with Nigerian banks

Banks contravening this directive would be made to deposit with the CBN, for not less than three months, an amount equivalent to the loan granted, which would bear no interest and be excluded from liquidity ratio calculations.

inguidity ratio calculations.
"Developments in the economy during the first quarter of 1909 have indicated mounting aggregate demand pressures with spill-over effects on prices and the naiva exchange rate." Mr Ahmed said.

The increased liquidity arose from accelerated bank credit expansion, he added.

BHF advances by 2% despite increase in costs By Haig Simonian

GROUP PARTIAL operating profits at Berliner Handels-und Frankfurter Bank (BHF), the medium-sized West Ger-man bank, rose by almost 2 per cent to DM224m (\$120m) last year from DM220m in 1987, despite an almost 13 per 1987, despite an almost 13 per cent rise in group personnel costs to about DM280m follow-

ing further staff expension. Prospects for the current year looked mixed, according to Mr Klaus Subjetzki, one of the bank's partners. Partial operating profits so far were running slightly below last year's level, with a rise in fee earnings offset by lower interearnings onser by lower inter-est income on account of higher domestic interest rates. However, results for the year as a whole should be "satisfac-

as a whole should be "sauking-tory," he said.

Group interest income in 1988 rose by 12.1 per cent to DM441m, while fee income increased by 3.2 per cent to almost DM171m. Group total amost DM171m. Group total assets climbed by 10.7 per cent to almost DM33.9bn, while group net profit fell marginally to DM36.7m.

Partial operating prefits at parent bank level rose by 9.1 per cent to DM153m, while full operating profits increased by

operating profits increased by roughly the same amount, said Mr Subjetzki.

Mr Subjetzki.
Last year's results were hit
by start-up costs and difficult
trading conditions in the international securities business.
BHF's newly-formed capital markets operations in London and Tokyo lost some DM6m and DM2.7m respectively

last year.
However, the bank remains convinced of the long-term merit of establishing its presence in overseas securities

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Straight Bonds: The yield is the yield to redemption of the one-price; the amount issued is in crillions of currency units except for Yes boads where it is in billions. Change on week - Change over price; a week earlier.

Floating Rate Neces: Denominated in dollars unless otherwise indicated. Coopon shows is minimum. Cate-Date next coupon becomes effective. Spread - Margin above sta-north offered rate (tithres-mounts; Sabove mean rate) for US dollars. C.con-The current current.

PROPERTY INVESTMENT & FINANCE

proposes to publish this survey on: 6th July 1989

The Financial Times

For a full editorial synopsis and advertisement details,

please contact: Joseph Dawson on 01-873 3269

or write to her at:

Number One Southwark Bridge London SEI 9HL

FINANCIAL TIMES

INTERNATIONAL CAPITAL MARKETS

US Treasuries in cautious Moody's mood ahead of jobs data

By Janet Bush in New York, George Graham In Paris and Katharine Campbell in London

THE US Treasury bond market. Research Bureau's index of Around a quarter of the bids settled into cautious range of commodity prices. trading yesterday morning, positioning itself for today's March jobs and wages figures At midsession, prices were quoted as much as a point lower at the long end of the market, boosting the yield on the Treasury's benchmark long bond to 9.03 per cent.

Expectations for today's figures are for a rise in the non-farm payroll of around 215 000.

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farm payroll of around 215,000 compared with the gain of 289,000 in February, so signally a decleration in job creation. Forecasters are also looking for a rise in the unemployment rate to 5.2 per cent or 5.3 per cent from 5.1 per cent in Februs

The market is vulnerable to a set of figures which show stronger activity in the jobs market than this. After a strong run, prices appear to have become more susceptible. to pressure particularly at the short-end of the yield curve where rates do not anywhere near reflect the current level of Fed Funds.

The yield on short-dated. issues currently stands at around 9.5 per cent after two days of modest price declines. but this is still well below the Fed Funds rate of 9% per cent which has prevailed over

recent weeks. Evidence that the market is vulnerable at current yield levels came on Wednesday when prices registered small declines despite a sharp drop in crude. oil prices and the Commodity

w. in the my tenantary

prices index is released on April 14.

THE French government sold FFr9.965bn of Treasury bonds at its regular monthly auction GOVERNMENT

BONDS yesterday, close to the upper limit of FFr10bn previously

The bulk of the auction was devoted to the floating rate OAT TME 2001, a 12-year bond indexed on the monthly averindexed on the monthly average yields of government bonds in the secondary market. The government sold FFri.88bn of this bond at the auction, meeting over half the demands presented, at a cut-off price of 99.00, giving a weighted average yield of 63 basis points below the TME index.

... A further FFr2.535hn was sold at the auction of the 10-year fixed rate OAT 8.125 per cent 1999. With the cut-off price fixed at 94.70, the govern-ment served less than a fifth of the heavy demand for the stock. The weighted average yield of 8.94 per cent was 41 basis points below the March auction yield.

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S TREASURY	8.875 8.875	2/90 2/10	97-29 98-11	-4/32 -2/32	9.24	9.38 9.18	9.30 9.12
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USTRALIA	12.000.	7/99	90.5814	+0.590	73.72	13.55	13.65

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times

A stronger than expected jobs figure would set the stage fixed rate OAT 825 per cent 2004, with FFr1.55bn sold at a cui off piles of 98.00, giving a weighted average yield of 212 per cent.

> MOST TRADERS in Europe were holding their breath ahead of today's US employ-ment data. With retail inves-tors still largely absent from the market hanes are high the market, hopes are high that the numbers will furnish sufficient evidence of a slow-down in the US economy to rekindle retail participation.

The German market traded in a narrow range yesterday — with just 15 hasis points between the highs and lowe of the bund future on Liffe. The the bund future on Liffe. The Bundesbank's fortnightly policy meeting yielded no changes, as expected, so prices were driven almost exclusively by technical factors. The most significant of these was tha presence of a very large trader on the floor of Liffe, switching from Liff and the supplementary than the supplementary that the supplementary than the supplementary that the supplementary that the supplementa from UK government bonds into bunds, to the tuna of between 1000 and 1500 con-

UK GILT-EDGED securities passed another uneventful day.
Long gilts were marked down
if of a point at the opening, as
the weight of unsold republic
of Italy Eurobond paper hung
over the marketplace, Only the sed another uneventful day. medium sector was well supported by the prospect of the Bank of England's stock buy-in, as short gilts were also marked lower on currency uncertainty.

A rally in the long glit future of about half a point helped by some sterling firmness the afternoon pulled prices in the cash market along. In late trad-ing, the benchmark Treasury stock due 2003-2007, which had traded as low as 1144 during the morning, was quoted at 114 % % of a point down on Wednesday's close.

Dealers said that the low

increase in weekly notes in circulation, just 8.3 per cent up on the same period last year, Areskoug, Moody's Investors hardly impacted the market. Service

study sees no challenge from 1992

By Norma Cohen

THE EUROPEAN integration planned for 1992 will pose lit-tle competitive challenge to the Euromarkets or the US and Japanese bond markets over the next five years, according to a study by economists at Moody's Investors Service.

Continued policy fragmenta-tion within the EC is likley to only perpetuate country-by-county differences in inflation and exchange rates, making it likely that borrowers will con-tinue to exploit differences

among national bond markets.

Without clear prospects for for a stable monetary framework, efficient financial pricing will be difficult; therefore borrowers and lenders will continue to favor the broader Euromarkets or the US-capital market, according to Mr Kaj Areskong, Moody's senior

Also, the possible admission to the EC of one or more members of the European Free Trade Association could weaken the cohesion of the original EC bloc. In such a sit-uation, there is little prospect of a single central bank or a

Pan-European currency.
However, Mr Areskoug suggests that short of adopting a single currency, EC members may form themselves loosely into a two-tiered monetary system with the types that some system with the inner tier consisting of an Ecu-D-Mark block containing the currencies of France, the Benelux countries. Italy and West Germany. If such an inner-bloc of curren-cies did develop, it could pro-mote creation of a Ecu-bloc capital market that would absorb many issues now chan-nelled into the Euromarkets. Another stumbling block to the formation of a fully inte-grated European capital mar-ket concerns the inability to hammer out a uniform regulatory structure. In addition to disagreements over reciprocity of access to markets, Jepan and the US's continued legal distinction between the role of banks and securities houses is

hampering efforts on a cohe-sive regulatory structure. EC 1992: National Policy Differences Delay Progress. Dr Kaj

Japanese scoop bond auction pool

By Michlyo Nakamoto in Tokyo and Norma Cohen in London

THE FIRST auction of 10-year because they are foreign," said an official at Goldman Sachs, under a new system designed to allow foreigners greater access to the primary market turned out to be a huge success for the Government but a big disappointment for many of the foreign firms that had been

pushing for the changes.
The anction, intended to allocate Y400bn among a wide group of domestic and foreign banks and securities firms, was canks and securities firms, was said to have yielded one Japanese firm, Nomura, about 30 per cent of all securities available, while a number of major foreign securities houses were said to have had every single one of their offers rejected. "This does not mean that these firms were unsuccessful

eign bidders. It was simply that Japanese domestic institu-tions had offered hid prices so far above market levels that the bids of foreign firms were rejected, dealers explained. In tal, non-Japanese houses are believed to have bought no more than Y2bn to Y3bn.

each.

But the high average bid price also meant that many domestic firms, including Sum-

One Japanese trust bank was said to have been allocated about Y50hn, while the larger Japanese city banks were said to have been allocated Y15hn

itomo Bank, one of the major city banks, bid unsuccessfully

Privately, dealers said that if the pattern at yesterday's auction persists in other JGB auctions, it will lead to charges that the Ministry of Finance's liberalisation of Japanese financial markets is a sbam.

The April issue of 10-year Japanese government bonds with a 4.8 per cent coupon, the first to be auctioned on tha basis of bid prices, received an average bid prices of 99.91 and a yield of 4.813 per cent — well below yields currently avail-able on other securities of similar maturity.

For instance, the JGB 108 bond which also has a 4.8 per cent coupon, was yielding 5.00/5.02 per cent at the close of trading in Tokyo yesterday.

One indication of the artificial level of rates achieved at the auction was the response of the grey market minutes after bids were submitted to the Ministry of Finance. The new bonds immediately fell to a discount of less 95 basis points from their auction price, producing a yield of 4.95 per cent. By the end of the trading day in London, the bonds were at a discount of less 65 basis

points.

The total amount of bids received at Y2,086.2bn was more than five times the Y400bn available. The average bid price, which was far above the expected market level of about Y99, reflected what many saw as excessive compe-

Global visionary takes over at S-E-Bank

Sara Webb profiles a big Swedish bank's new chief executive

hen Mr Jacob Palmstierna formally takes over next Tuesday as group chief executive and chairman of the executive and chairman of the executive and chairman at Skandinavisks management at Skandinaviska Enskilda Banken, his primary goal will be to push ahead with plans to make Sweden's lead-ing commercial bank even more international in nature. It's a goal he has devoted himself to in recent years, as president of the bank and a member of its executive man-agement. He sees the bank's Swedish orientation as a weak-

ness which must be corrected.

Described by one colleague
as "a man of vision and considerable intellect who doesn't suffer fools giadly," Mr Palmstierna has already done much to develop S-E Banken's international side. He was appointed head of the bank's international business operations in 1962, and pushed for the bank to develop services for Sweden's major indus-trial companies (which are eagerly expanding abroad) and to build up a network of offices

One reason for this was the increasing competition for cor-porate customers in Sweden. For while S-E Banken has traditionally been the Wallenberg family's house bank - boast-ing a special relationship with such Wallenberg blue chips as Atlas Copco, Asea, Ericsson, Electrolux and Stora, the

increasing competition in the Swedish financial markets following the deregulation and liberalisation of the 1980s has no longer assured the leading bank of its customers.

Companies have been given more freedom to pick and choose between the banks in Sweden and have put considerable pressure on the banks to spruce up the kind of services they offer - not only to keep existing companies faithful but also to attract other corporate Mr Palmstierna was also

instrumental in building up Enskilda Securities, the bank's securities business in London. Initially the idea was to partici-pate in bond trading, but faced with tough competition and slim margins in London it turned to the equities business

instead in 1985.

So when the Swedish Government doubled the turnover tax on equities traded on the Stockholm Stock Exchange in 1986 which caused business with foreign investors to flow to London, Enskilda was well placed to reap the benefits of its international contacts and exploit its Scandinavian exper-

Mr Palmstierna has been a banker throughout his working life, starting in 1960 at the age of 26 at Stockholm's Enskilda Banken, the Wallenberg family bank which merged with Skandinaviska Banken in 1972 to



Jacob Palmstierna: 'not squeamish about sackings

While his aristocratic family connections no doubt helped open the door to a place at the bank (his mother was a cousin of the legendary Marcus Wal-lenberg) no one disputes his talent as a banker nor his genuine charm, although not everybody appreciates his repntation as a tough master "who is not at all squeamish about demoting or firing peo-

His visions are not always so well received either - often for the wrong reasons. When Mr Palmstierna once outlined in a magazine interview his grand plans for the creation of a Nordic megabank which would be

LONDON TRADED OPTIONS

big enough to compete with the European giants and con-sist of S.E Banken, and its Scandinavian banking partners - Bergen Bank of Norway, Privatbanken of Denmark and Foereningsbanken of Finland - it ruffled quite a few feathers and put several noses out of joint in the other Nordic countries.

"That was vintage Jacob, says one friend. "He says the unpalatable truth and is not aiways as diplomatic as be could be." Nevertheless, other banks in the Nordic area subsequently became more aware of the sense of such a strategy as they realised that competition in the European market is set to increase during the

Mr Palmstierna recently expressed his desire to expand S-E Banken's international net-work further and eventually seek listings in London, Frank furt, Paris, Tokyo and New

Like the other Swedish banks, S-E Banken has flour-ished in the etmosphere of the deregulated markets. The bank has witnessed three strong years in a row in terms of profits and even if - with charac-teristic caution - Mr Palmstierna warns of tougher times ahead in the 1990s, he has good reason to believe that the 1989 profits should be at least as gnod as last year's.

CALLS PUTS .
May Ang New May Ang New

May Sep Bes

LONDON MARKET STATISTICS

RISES AND FALLS YESTERDAY

		in the second					. "	. y.:			. ;		
EQUITY	GRO	JPS.			hursd	ay A	pril 6	1989		Wed Apr	- The Apr	Mog- Apr	Year ago (approx)
E SUB-E Figures in parenth stocks p		nafabe		60.: C	lay's Y sange (Est. arnings Teld% Max.)	Gress Div. Vield% (Act at (25%)	Est. P/E Ratio (Net)	zo adj. 1989 to date	Index-	laries No.	index No.	todex No.
1 CAPITAL 6000 2 Suliding Mater 3 Contracting, Co	lais (29) astructio	n (38)	119	3.66	-1.4 -1.9 -4.9	16.53 11.66 12.67	4.84 3.94 3.84	11.44 11.14 18.82	7,22 3,92 14,65				1004.57
4 Electricals (10)			271	0.71 4.77	-1.1 -2.0	9.14	4.42 3.24	14.80	2.99 12.62	2741.56 2107.54	2751.57 2116.51	2754.62	
6 Mechanical Eng	lacering	(54)	51	6.68	-6.9.	10.25	3.77	11.93		511.29	511.50	586.58	386.86
8 Metals and Met	al Formi	ng (7)	33	7.24	+8.6 -8.8	14.33	5.54	7.89		532.67 389.75	535.54 309.44	536.25 347.63	
9 Motors (17) 10 Other Industrial	Materia	ls (22).	. h51	7 77	-2.1	7.40	4.40	12.38	21.63	1564.59	1584.54		
21 CONSUMER GR			176		0.6	9.46	3.74 3.43	13.62		1173.82	1177.85		
22 Brewers and Dis 25 Food Manufact	uring (20		101	0.42	-1.0	9.44	4.63	12.78 13.29	5.36 19.15	1279.52	1274.95 1821.25		
26 Food Retailing	25)		201	4.34	-;;	9.65	3.50 2.45	14.54	8.97	2027.61			
27 Health and Hou 29 Leisure (33)				7.00	-0.9	7.57	334	17.75	7.33	2222.34 1612.32			
31 Packaging & Pa	wer (16).		57	4.66	-8.9 -8.8	20.25	4.18	11.99	5.04	579.80	585.49	594.57	
32 Publishing & Pr 34 Stores (33) 35 Textiles (15) 40 OTHER GROUP	unung CL		75	1.38	-1.4	11.58	4.67	14.19	5.06 1.75	3646.27 762.21	3675.A7 764.21	3709.12 763.68	3343.11
35 Textiles (15)			51	3.62	-4.7 -1.3	12.18	5.50	10.04	0.34	514.80	528.32	517.34	563,73
40 OTHER GROUP: 41 Agencies (18) 42 Chemicals (22) 43 Conglomerates	(74)			5.82	-33	8.49	4,25 2,78	11.96	12.34	1874.79	1258.40	1078.18	
42 Chemicals (22).			120	7.00	-0.9	11.86	4.87	19,86	21.18	1217.89	1224.32	1225.50	787.07
43 Conglomerates (45 Transport (L3) .	11)		234		-1.9 -0.9	10.22	4.94 3.64	11.31	16.45	1523.54 2389.57	1521.00 2380.01	1521.30 2374.14	
47 Telephone Netw	oris (2)		1110	2.52	-1.6	10.59	4.24	12.28	. 0.08	1127.68	1129.72	1129.21	953.92
48 Miscellaneous C					-1.0 -1.2	7.77	3.97	12.71	7.19	1486.83	1501.78	1111.06	922.96
51 Oll & Gas (13)					-14	7.85	5.71	13.00	49.19	1973.93	1976.51	1983.63	1786.64
59 500 SHARE IN					-12	7.80	4.19	12.66	9.85	1182.21	1126.56	1184.97	995.90
61 FINANCIAL GR					0.7		5.16		12.54	742.56	744.88	741.84	653.43
62 Banks (8)	(8)				-1.5 -1.3	23.52	6.54	5.59	29.35 25.72	729.54	729.21	725.59 1876.65	619.26 968.61
66 Insurance (Come	osite) (7))	59	2.90	-0.8	-	5.67	-	- 18.03	597.39	597.45	597.14	527.72
67 Insurance (8 role 68 Merchant, Banks	ers) (7)				-8.5 -8.1	8.92	4.52	14.96	16.38	951.50 332.32	959.12 331.45	957.73 331.45	
69 Property (52)			130	3.83	6.9	5.73	2.67	22.28	4.14	1326.07	1324.68	1322.59	1117.32
70 Other Financial	(30)	<u></u>	36		-0.6	-9.82	5.69 Z.89	12.80	3.56	367.86	368,73	369.68 1095.58	386.25 853.74
71 Investment Trus 81 Mining Finance	(2)		- 0	3.68(•	HB.1	24	3:78	12.54	18.45	1993.87 672.80	1997.13	650.84	440.93
91 Overseas Trader	· (8) · · · · ·	10012-1-12	137.		4.7	8.55	4.87	13.66	15.93	1383.35		1373.17	276.33
99 ALL-SHARE IN	DEX (796	<u> </u>	_		1.1		4.25		18,42	1875.13	1078.07		994.61
						Day's lot (a)	Day's	Apr.	Apr .	. Apr	- Mar 31	Mar 30	Year
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PRICE	Thu	Day's	Wed -	od adj.	xd ad 1989	! 1	Seithin C		years		9.67	7.63	8.54
INDICES.	Apr	change %	Apr	word	to dat		Compons		S years		9.24	9.23	9.01
British Covernmen		· ·	100			4	Mediam		5 years 5 years		7.09 18.62	9.07	9.04
1 5 years		+0.02	117.64	0.02	3.6	1 5	Conbour.	11	5 years.		9.68	9.66	9.20
2 5-15 years	134.10		134.13	-	2.8	9 7	High .		S years S years		9.28 10.75	10.75	9.13
3 Over 15 years	144.63		144.74	-	.45	-, -,	Composs	. 15	5 years 5 years		9.91	9.89	9.33
4 Irredeemables	167.76	-D.46	170.55	1 22	3.5	امداث	irredeem		> years		9.12	9.07	8.86

5.37

0.95

1.83

4 Opening index 2078. 5; 10 am 2069. 0; 11 am 2066. 2; Noon 2062.3; 1 pm 2063.8; 2 pm 2064.2; 3 pm 2060.6; 4 pm 2052.1; 4.05 pm 2053.4 (a) 9.00 am (b) 4.16 pm t Fizz yield. Highs and lows record, base dates, values and constituent changes are published to Saturday Issaes. A list of anstituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London 5£1.9 NL, price 15p, by post 34p.

- 1.36 - 8.95

1.36 12 Inflation rate 5% Syst.
1.36 12 Inflation rate 5% Over 5 yrs.
1.36 13 Inflation rate 10% Syst.
1.37 13 Inflation rate 10% Syst.
1.38 13 Inflation rate 10% Over 5 yrs.

2.20 16 Least 17

3.59 3.55 2.70 3.38

5 years..... 15 years..... 25 years.....

12.09 12.10 11.53 11.53 10.97 18.96

10.77 10.59 10.59

First Dealings
Last Dealings
Last Declarations

London Share Service

For settlement

132.71 +0.12 132.55

88.78 +0.06 88.72

7 Over 5 years 133.55 +6.11 133.40

9 Debeters & Lane .. 116.53 -0.05 116.58

131.40 -0.02 131.43 0.01

5 All stocks

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For a full editorial synopsis and advertisement details, please contact:

Rachel Fiddimore

on 01-873 4152 or write to her at: Number One, Southwark Bridge

London SE1 9HL.

UK COMPANY NEWS

Write-offs trim B&C to £123m

BRITISH & Commonwealth Holdings, the financial services group, yesterday reported pretax profits of £122.8m for 1988. 6 per cent lower than the £130.9m reported for the previ-

The decline was entirely attributable, however, to B&C's need each year to write off a proportion of acquired goodwill because of an accounting pol-icy which took effect in 1987. Before goodwill amortisation of £41.9m (£14.6m), operating profits were ahead by 13 per cent to £164.7m (£145.5m).

Mr John Gunn, chairman, said he was "extremely pleased" with B&C's perforpleased with B&C's performance in the tough post-crash environment. The benefits of reshaping B&C into a pure financial services group would become more apparent in 1989,

Nevertheless, B&C reported lower contributions from some of its key activities, including moneybroking, where profits from world market leader Exco fell 15 per cent short of the £44.7m achieved in 1987's vola-

ting. Profits from investment management also fell, from £14.9m to £9.5m, as the cootribution from Gartmore's unit trust exctivities plummeted to £400,000 from £11.1m. This reflected the absence of "box" profits after the trading

tile markets despite cost-cut-

rules change last year, s lower level of unit sales and the costs of implementing the Financial Services Act. For the group as a whole, Mr Gunn estimated that the Act cost an initial £2m, plus the same amount

again each year. Unit trust difficulties were partially offset by increased profits from Oppenheimer, the US fund management subsid-

iary, and Gartmore's growing pension-management side.

Acquisitions helped to make up the shortfall from these divisions, with Atlantic Computers contributing £33.7m in its maiden four months.

The professional services

The professional services companies which entered the group with Abaco chipped in £11.4m, against £1.8m in 1987, when it was a 26 per cent asso-ciate. This division yesterday announced the purchase of the 45 per cent minority in Mort-gage Systems, the largest UK mortgage administration com-

possible that William Street Holdings, the US government securities broker B&C bought as part of Mercantile House Holdings in 1987, would remain part of the group throughout 1989.

B&C originally agreed to sell William Street and M.W. Marshall. Mercantile's moneybroking subsidiary, to US-based Quadrex Holdings, a deal which broke down in February 1988 and has been the subject of litigation ever since.

Marshall was sold for £1745m in February this year to a management-led consor-tium; B&C's efforts to repeat the pattern at William Street have not yet proved successful. In the meantime, B&C will hold William Street as an

ty-account its results.
Group turnover rose by 5.3
per cent to £968.8m (£919.7m).
A tax charge of £46.2m (£56.3m) reflected a lower effective rate of 28 (38.7) per cent on operating profits as a result of allowances available in computer services and leasing. Amortised goodwill is not tax deductible. Profits of £8.7m (£7.1m) were attributable to

The £359m disposal of most of Bricom, the commercial and service subsidiary, to management gave rise to an extraordimary credit of £104.9m, but this was reduced to a net £69.1m (£30m debit) because of losses on disposal and closure of subsidiaries and another £9.8m provision relating to Kaynes, the now-closed commodities

rading operation.

Fully diloted earnings per share rose by 13 per cent to 24p (21.2p) before amortisation, but fell by 15 per cent to 15.2p (17.9p) after amortisation. A final dividend of 5.2p (17.9p) final dividend of 5.25p (4.5p) will raise the total by 16 per cent to 9.25p (8p). See Lex

OPERATING PROFIT (£m)						
	1988	1987				
Moneybroking	37.8	44.7				
Investment management	9.5	14.9				
Banking	4.2	3.1				
Professional services	11.4	1.8				
Computer services	33.7	_				
Property	7.2	2.2				
Leasing	14.7	\$.1				
Development capital						
and Investment	18.8	45.0				
Commercial and						
service activities	21.8	30,5				
Other*	41.4	25.1				
Central costs	• • • • • • • • • • • • • • • • • • • •					
(Including Interest)	(11.0)	(7.1)				
	189.5	170.3				

MAI is 'mystery' suitor for Addison

By Ray Bashford

THE DREP divisions within the board of Addison Consultancy became public yesterday when two directors announced that they had eppointed a merchant bank to advise on a pos-

Pledge over bid for Magnet By David Waller

International, advisors to the management team making a £629m buy-out bid for Magnet, yesterday claimed that shareholder unhappiness over the structure of the £76.7m offer for the company's convertible

preference shares would not scupper the deal in its entirety. Sun Life, the second largest holder of preference shares with a 10.4 per cent stake, is furious that the offer for this category of shares includes only 25p in cash.

Bankers Trust said yesterday that it was "fully aware" of the institution's concern.
"We are doing our best to find
a way of resolving the prob-lem," the bank said. "As far as we understand it, it is a question of the mechanics of tha

offer rather than its value". The fear is that Sun Life could use its holding to block the entire deal, as it is likely, but not certain, that to be suc-cessful, the offer will require 90 per cent acceptances for each category of share.

sible bid for the design and

sible bid for the design and market research company.

Ms Liz Nelson and Mr Tony Cowling, who are in charge of Taylor Nelson, Addison's market research company, are strongly opposed to a possible bid from MAI, the financial services and advertising ground.

group.
MAI, confirming three weeks of speculation, yesterday said that it was the "mystery" group planning an offer for Addison. An "advanced stage of discussions" had been reached, MAI said.

Mr Clive Hollick, MAI's managing director, said Addison's attraction was its market research operations, which

research operations, which would remain after the man-agement buy-out of the public relations arm is completed and when the expected sale of

the design company is com-

However, Ms Nelson and Mr Cowling, oppose a loss of inde-pendence to MAL They are understood to have known in advance that Motivaction, a privately owned French market research company, would buy the 14.7 per cent stake acquired in Addison last

Thursday. The two directors are also believed to have held discussions with the French group about establishing a television rating monitoring system in the UK and the US, based on a French model

Mr Clive Hollick said that the offer price would not be "substantially different" from yesterday's closing price for Addison shares of 40.5p - up Business Travel and Trevor Bass Associates, its financial public relations company.

De Savary to comment on Blue

Arrow loan

MR PETER de Savary, tha international yachtsman, is expected to comment today on speculation that he is con-nected with the mysterious £25m loan made by Blue Arrow, the embattled employ-

ment group.

Doubts about the recoverability of the loan have caused intense disquiat amongst investors, since its existence was disclosed at a stormy was distinged at a summy annual meeting on Monday. Mr de Savary has been drawn into the speculation because of his partnership with Blue Arrow in the America's Cup

Challenge. In particular, the City has in particular, the City has speculated that the money had been loaned to help finance an investment in San Diego, California, where the America's Cup Challenge was due to be held until last month when the venue was moved to New Zealand

and.

If de Savary, who been cruising on the Rhine, has been unavailable for comment this week. However, yesterday, his spokesman relayed a mes-sage that he would talk to the press this afternoon.

Highland Participants, the oll and gas company chaired hy Mr de Savary, yesterday denied any connection with the loan. A spokesman for the America's Cup Challenge has also denied any knowledge of the loan.

The loan is understood to have been made at some stage in the 10 weeks before Mr. Tony Berry, Blue Arrow's founder and deposed chairman, was stripped of his executive duties on January 13. The Blue Arrow board has steadfastly refused to com-ment on the loan, apparently

for legal reasons.

James Capel, Blue Arrow's broker, yesterday denied that it was unhappy about Blue Arrow's management of the affair. Mr Peter Quinnen, chairman, said that the Stock Exchange was satisfied with the level of disclosure made. Mr Mitchell Fromstein, chairman, has confirmed that he intends to sell Blue Arrow

Reckitt's earnings boosted by lower interest charges

programme of disposals.
According to Sir blichael Colman, the chairman, the underlying rate of sales growth was
7 per cent. Currency had its effect, clipping turnover by 270m and pre-tax profits by 57m on translation into ster-

A final dividend of 16.35p (13.9p) per share takes the the total payout to 25.5p (21.7p), an ncrease of 17.5 per cent.
Sir Michael was keen to

point out the group's healthy cash generating capacity and the strength of its balance sheet, net cash generated last year was £178.29m whilst borrowings at the year end stood et a net £1.65m, leaving the

RECKITT & COLMAN, the household products, food and drugs group which has Disprin and Detroi among its many brand names, increased its pre-tax profits by 14 per cent to £197.86m, while earnings advanced by 19 per cent, from £8.29 to 80.89p per share, reflecting the benefits of a halved interest bill and a reduced tax charge.

Turnover fell from £1.499n to £1.399n, mainly because of a programme of disposals. the Airwick air freshener range did particularly

well.

The pharmaceutical division improved its profits by 16 per cent to £30.28m on turnover up 10 per cent to £148.06m.

Profits in the UK rose by 18 per cent to £59.87m; in continental Europe, by 17 per cent to £22.88m and in the US by 22 per cent to £18.9m. Difficult economic conditions in Latin

economic conditions in Latin America drove down the prof-its contribution there from £15.4m to £11.8m. • COMMENT At the pre-tax level, yesterday's figures from Reckitt & Colman were at the lower end

from 38.4 per cent to 38.3 per cent – meant that carnings were ahead of prognostica-tions. The fall in the tax rate is tions. The fall in the tax rate is not mere financial legerdemain. It illustrates the success of the company's strategy of shifting more of its business into the UK, continental Europe and the UK, in 1983, for example, 22 per cent of profits came from Africa – last year only 7.5 per cent. The figures reflect well on the quality of Reckitt's management as it operates in basically mature market sector. It is impressive that old-established brands such as Robinsons should be such as Robinsons should be able to improve market share and that new brands such as the Airwick Magic Mushroom should do so well. To add impeshould do so well. To add impetus to the profits growth, ecquisitions are required—and with nil gearing, the company is clearly in a position to buy what it likes. The danger is that it will pay too much, but it managed to evoid doing so in the case of Durkee and Airwick. Down 7p to 1068 yesterday, the shares are a sound hald on a multiple of 11.5

hold on a multiple of 11.5 assuming pre-tax profits of £218m-£220m this year. Fenchurch buy-out proposed

By Nick Bunker

THE EXPECTED break-up of the GPG insurance broking and fund management group-got under way yesterday with news that directors of its subsidiary, Fenchurch Insurance, have proposed a management buy-out of Fenchurch.

No details of their scheme were disclosed, but a brief announcement from GPG, the former Guinness Peat group, said its board had agreed to the

proposal in principle.

A buy-out of Fenchurch has A buy-out of renchurch has been widely expected since January, when GPG's 61 per cent sbareholder, Equiticorp, collapsed in New Zealand. The demise of Equiticorp meant that GPG lost much of its

internal logic, making a break up a strong possibility. Headed by Mr Roger Earl, Fenchurch is a small Lloyd's of London insurance and reinsur-

ance broker, with 1988 pre-tax profits of about £5.2m, on turnover of about £21m. But it has come under heavy pressure in the past two years from falling premium rates.

Morgan Grenfell, Fanchurch's marchant bank

adviser, said Mr Earl was leading the buy-out team, but would not give a likely date for

Reed Executive gives profit warning

that results for the year to March 31 will be lower than for the previous year, writes Ray Bashford.

The warning, issued during mid afternoon trading, forced heavy selling of the shares,

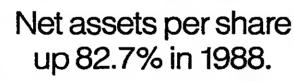
siderably lower but would not be disastrous." The chairman said he felt compelled to make the warning because of exces-

REED EXECUTIVE, the employment agency group, yesterday issued a warning said that profits would be con- announcing interim results

From a forecast of £14m last August a leading City analyst made by City analysts.

Last December he expressed further cut to £11m.





Operating profits up 54.5%.

Ten year net asset growth exceeds 50% per annum

Yet again, we reveal impressive results

As foreshadowed at the interim stage, Capital and Regional Properties reports significant growth for the full year.

In addition to the 82.7% rise in net assets, operating profit before taxation and profit on sale of investment property increased by 54.5% from £0.45m to £0.7m.

The Group now controls properties of high quality and considerable reversionary

potential. It currently enjoys strong liquidity and is in a good position to take advantage of opportunities both in the UK and the USA.

As a sign of the Directors' confidence in the future, the Board is recommending a doubled final dividend of 0.4p per Ordinary Share.

The Board looks forward to continuing the ten year record of above-average growth.

Capital and Regional Properties plc



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BANKNOTE AND SECURITY PAPER - WATER TREATMENT - TECHNOLOGY PRODUCTS AND PROPERT

PRELIMINARY RESULTS 1988

1988	1987			
£'000	£'000			
243,817	200,008			
23,511	21,096			
15,260	14,436			
25.86p	25.56p			
24.09p	23.57p			
10.00p	9.10p			
	£'000 243,817 23,511 15,260 25.86p 24.09p			

- * 1988 a recovery year
- * Conditional sale of Water Treatment Division (excluding Houseman) to Thames Water Authority
- * 1988 property revaluation surplus £9.4m
- * Excellent performance from papermaking
- * New strategy, including focus on safety, security, and control products, systems and services

"1989 has begun well, with a significantly stronger order position . . Our task is to realise the potential"

Julian Sheffield, Chairman

Portals Holdings PLC

Laverstoke Mill, Whitchurch, Hants RG28 7NR

UK COMPANY NEWS

papermaking and water treatment company, yesterday announced an 11.4 per centrise to £23.51m in taxable profits for 1988 despite sharply reduced profits in its water treatment division, which it has agreed to sell to the Thames Water Authority.

Turnover increased 22 per cent to £243.82m, and fully diluted earnings per share

diluted earnings per share edged up to 24,09p (28.57p). The proposed final dividend is 6.8p giving a total for the year of 10p (10 12).

Posed

of 10p (9.1p).

The principal papermaking division saw profits improve 45 per cent to £11.58m reflecting substantial improve. ment in sales. Its main cus-tomers include the Bunk of England and De La Rue. The technology products division, which was formed during 1988 through the marger of Portals Engineering, Portals Computer-Technology

and the acquired Paragon, realised profits of £3.5m. A serious setback was suffered, however, at the water treatment division with profits more than halved from £5.29m to £2.24m. The damage occurred in the first half as a result of a management failure at its Australian Permutit sub-sidiary. Houseman, the sup-plier of water treatment chemicals which is not part of the deal with Thames Water, reported profits in the region

• COMMENT The sale of its troublesome

water treatment business pleased the City and pushed Portals' shares up 7p to 329p. Certainly, the shedding of a difficult business area on the Warning terms achieved justifled the reaction. Although the rise of the "green issue" suggests that the disposed of business has improving potential, the mar-ket is very competitive and Portals is not equipped to sup-ply the investment and expertise needed to realise it. With the business gone, Portals can now focus on developing its more ductative products par-ticularly in the security paper area and at Houseman, which appears to have very good short term prospects. Moreover, the disposal gives ft more funds to carry this out. Analyst are, however, less cer-tain about prospects for its security equipment products and point out that expectations of profits from property sales may have been exagger-ated. All told, and including an estimated £1.2m in interest

Portals Reaping the rich rewards of growth

profits

Nikki Tait on the departure of Hillsdown's co-founder David Thompson

A sunday magazine it "For the past few, months, it's been the first question everyone asked. We hope this removes the uncertainty."

So do many City analysts.

Hillsdown Holdings

Share price (pence)

Share price (pence)

Stake W

Marker Estates.

Yester suggest decided upturn stake w

Marker Estates.

est men. Among the top 20, only two were unphotographed. One of them, ranked PORTALS. HOLDINGS, their light, was David Thompson, the papermaking and water items.

ings. Yesterday, there was no sign that Mr Thompson - having just crystallised £154m from the placing of his remaining 15 per cent stake in the food, fur-niture and property group – intended to break this media-avoidance habit of a lifetime. His London office did not expect him back yesterday, and was politely taking mes-

So it was left to Mr Harry Solomon, the solicitor who founded Hillsdown alongside Mr Thompson in the mid-seventies, to speculate what might be planned for this hefty cash balance. I know he has exten-sive horse-breeding interests, stud farms around Newmarket - but I really can't say," he

What 53-year-old David Thompson's personal reticence cannot conceal is the rewards which the phenomenal growth of Hillsdown over its fourteenyear life — much of it, acquisition-led — have brought him, nor the relief which the company appears to feel at the removal of this potential share overhang. As Mr Solomon put

BOASE MASSIMI Politit, the UK advertising agency which is facing a £103m bid from the smaller French advertising company BDDP, yesterday clarified—the response which it has received from clients, writes Nikki Tait.

If said that letters had been

It said that letters had been

received from 21 UK advertis-ing clients, and that billings

for these clients represented

Assoc Brit Ports......fin

Klark-Teknik 5 ... Ldn & Manchesi

Boase Massimi clarifies

DIVIDENDS ANNOUNCED

payment, payment,

client reaction to bid

So do many City analysts.
But some are still uncertain as
to whether this will be the
answer to all Hillsdown's recent rating problems. "In theory, this could be the most important day of Hillsdown's life for two years, said one, but in practice, I'm not so

The Hillsdown story has been well-aired - starting back-in the sixties when Mrs Thompson is reputed to have met Mrs Solomon at an ante-natal clinic. Their respectiva husbands subsequently forged business links and in the midseventies Hillsdown itself was formed.

formed.

There followed the purchase of some sizeable, but very poorly-performing, food industry businesses—not least of which was the acquisition of the egg and poultry interests from imperial Group in 1982. Ironically, this brought the David Thompson's family meat trading business into the Hillsdown fold.

When the group floated with

over 73 per cent of current-year

billings for BMP Davidson Pearce Certain of these clients - representing some 32 per cent of billings - had indicated that

they would "consider carefully" their continuing rela-tionship with the group if own-

ership changed.

An independent survey by

Campaign showed not a single

client supporting BDDP's birl."

When the group floated with a price-tag of £274m in 1985, sales were just under £1bn. But in the post-flotation period and in the bull market run, Hills-down became almost synonom-Thompson has gone very much his own way - becoming ous with acquisitions. For much of this time, Mr Thomp-

, year

6.475

10.35

But, despite a consistent profits growth the market has not loved the group over this

son was seen as the deal-origi-nator; Mr Solomon as the rather stabler, day-to-day man-agement lynch-pin. It was in April 1987 that the if was in April 1897 that the first formal severance came. David Thompson placed half of his holding — by then down to just under 30 per cent — and raised £144m, pledging to keep his remaining 15 per cent until January 1989 at least. He also stepped down as joint chairman, becoming a non-executive director.

Detailed reasons for the timing of this split - to all appearances, entirely harmonious - have never been discussed. But since then, David involved on the quoted com-pany stage, principally with property businesses like Glen-tree (now Union Square) and Marler Estates.

Hillsdown, too, has appeared to have changed its character somewhat — partly, but nut entirely, as a result of the changed market conditions. Having geared up substantially when it bought Maple Leaf Mills of Canada in summer 1967 – at £169m its largest single deal – much of the recent emphasis has been on debt reduction, and an apparent consolidation of the business.

period. As one analyst pointed out, the shares have gone from standing at a prospective rat-ing that was at a 25 per cent premium to the market to one which is at a similar discount. Reasons attributed bave

been various: the fact that Hillsdown, where sales topped 13.5bn in 1988, looks as much like a conglomerate as a food company; the question of whether its food interests are still to close to the "raw material end; the gearing levels; the Catch-22 of whether it needs acquisitions to sustain growth, which in turn might mean further share issues; and, the most ready excuse of all. the potential overhang of Mr Thompson's holding.

US union leader speaks in support of Minorco

AN INFLUENTIAL New York trade union leader has spoken up in support of Minorco, the Sonth African-controlled Sonth African-controlled investment company, during its US court battle with Consolidated Gold Fields, the diversified UK mining group, writes Kenneth Gooding.

Mr Victor Gotbaum, former leader of New York City's civil service union, in a deposition to the court contrasted Mr

to the court contrasted Mr Harry Oppenheimer's Anglo American Corporation of South Africa, Minorco's parent, with Gold Fields of South Africa, the mining company 38 per cent owned by Gold Fields of the UK and the directors of which incinde Mr Rndolph Agnew, Gold Fields chairman.

Mr Gotbaum said he had known Mr Oppenheimer for six years and "as a union leader would not hesitate to deal with any company associated with him or Anglo American.

In contrast, said Mr Got-baum, "GFSA's record on race relations and unionisation is so bad that any responsible American company should be ashamed to be associated with Minorco's deposition

enlarged on Mr Gothaum's by stating that GFSA "has one of the largest private armies in South Africa, complete with dogs, armoured vehicles and its own patented rubber bullets which it uses to respond to labour strikes."

Yesterday's placing seems to suggest that Mr Thompson had decided that waiting for an upturn in the rating, when his stake was a factor in holding it back, was likely to be lengthy and possibly futile exercise. The company itself was quick to express gratitude. But analysts' feelings remain mixed. Most are glad to see the

most obvious stumbling-block to a better rating removed, but some are wary of viewing this as an answer to all the prob-

"I think they've probably passed the halfway mark in reshaping of the business, but the market may still want to

"How do you rate the com-pany," moaned another. "If I knew the answer, I'd be sitting on a sunny beach."

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Ibstock Johnsen advances to £56m

By Andrew Taylor, Construction Correspondent

PRE-TAX PROFITS of Ibstock Johnsen, one of Britain's three remaining independent quoted brick manufacturers, last year jumped 57 per cent to £56.31m. Turnover increased from £145.44m to £367.75m during the 12 months to end-Decemher. Profits end sales were boosted by Ibstock's increased stake in its Portuguese forest products and ceramic sanitary-

vare husiness. Mr Richard Boxall, joint managing director, said about £7m of the profits increase was due to the effect of acquisi-

Profits from forest products and ceramics rose from £5.47m to £16.96m. Ibstock said pulp prices were et record levels and prices were unlikely to fall while world stocks remained

very low.
The company said output at Valdares, its ceramics business, would increase by about 30 per cent this year. British brick profits increased 28 per cent from £23.14m to £29.74. UK sales rose 19 per cent from £78.75m to £93.6m

Mr Boxall said that between 50 to 55 per cent of British sales were vulnerable to the new housing merket which was expected to be more diffi-cuit this year. UK brick sales, however, had held up well during the first three months of

The company said that after the first three months all three of its major arms - UK building materials, forest products and US hullding materials —
were ahead of the corresponding period last year.
The US market remained dif-

ficult. Housing starts in the north east, where Ibstock has traditionally been based were

down by ebout a tenth last

In dollar terms, US profits rose 23 per cent to \$15.5m assisted by increased capacity and a better product mix. After conversion to sterling, how-ever, the rise was held to 13 per cent at £8.68m (£7.67m). Earnings per share rose from 15.33p to 18.71p after deducting minorities of £3.63m from Companhia de Celuose do Caima which looks after the forest products and ceramics busi-

A final dividend of of 3.5p makes e total of 5.5p for the year, e rise of 37.5 per cent.

• COMMENT

Ibstock's problem is that the fortunes of two of its three product divisions are tied to the UK and US housing mar-kets, which in turn are affected by world interest rates. The

housing market in the north east of the US was in decline last year and is unlikely to see any improvement this year. any improvement this year. The decline in the UK is more recent but has spread from southern England and East Anglia into the Midlands. Up to 55 per cent of Ibstock'e profits in the UK and 60 per cent in the UK come from new house. the US come from new house-building it will, however, have the benefit of increased capac-ity and a 4 per cent price rise in the UK. Profits in the US will be underpinned by new acquisitions and greater effi-ciency which will produce cost savings and higher concentration on higger margin prod-ucts. Prospects for Ibstock's third arm, the forest products division, are the hardest of all

to judge. The highly cyclical industry had been expected to



Richard Boxall; vulnerable to new housing market.

good times cannot last for ever.
Instock has e good mix of quality products and has been increasing brick sales for commercial and industrial developments in the UK and US, both of which remains strong markets. In the short term, how-ever, Ibstock is unlikely to improve on a prospective p/e of just over 8 on pre-tax profits of

Higher occupancy rate boosts Queens Moat to £42m

diluted earnings per share rose by 44 per cent to 7.9p (5.47p). Overall, the occupancy rate in Queens Moat'e 137 hotels rose from 65 to 66 per cent. The group's sole London property, the Drury Lane, saw occu-pancy fall from 84 to 79 per cent, but higher rates helped profits rise by 3 per cent.
UK hotels accounted for 232.7m of pre-rent and pre-in-terest operating profits, West Germany and Switzerland for £13.3m, and Belgium and The Netherlands for £9.8m.

QUEENS MOAT Houses, the provincial hotels operator in Britain and four continental European countries, lifted pretax profits by 70 per cent to 2.28p (1.5p). Queens Moat signalled an effective divided rise of at least a 25 per cent in 1989, saying it would maintain the new payment on stare capital increased by a one-for-four scrip issue also one-for-four scrip issue also per cent to 17.3 per cent; fully diluted earnings per ahare rose

at the year end. The annual independent revaluation showed a surplus of £170m to raise the total to £1.03bn. Net sets per share rose from 100p

Queens Most may never dazzle with Hilton fireworks & la Lad-broke, but the wisdom of its strategy has been proved year after year. Its market niche service rather than glitz for the business traveller - was well chosen, and it has not been

In the UK, at present, this means building rather than huying, even with the long lead-times this involves. Never theless, its nearly 9 per cent stake has booked a say in the future of Vaux Group, percep-tively described by Queans Most chairman Mr John Bairstow as an "hotel company with a brewery attached." The tax charge is more than a onetax charge is more than a dis-off pleasant surprise, as the group has negotiated what amounts to nil West German tax liability into 199d. On the other hand, higher German interest rates makes foreign currency borrowing a neutral factor rather than the advan-tage it has been in recent years. Gearing remains stable at about 60 per cent, after the at about to per cent, attaction yearly property revaluations are taken into account. Assuming pre-tax profits of 250m, the shares remain attractive on a fully diluted prospective p/e of

L and M rises 21% despite housing slowdown

By Nick Bunker

LONDON and Mauchester Group, the life assurance com-pany, has delivered a 21 per ceut increase in after-tax profite to £14.64m in 1988, hut warned that the downturn in the housing market was hitting profits from its 54 estate

agency outlets. The group is maintaining its record of dividend increases averaging about 19 per cent per annum over the last 12 years by lifting its total divideud to 10.35p (8.699p) per share. Earnings rose 16 per cent to 12.95p.

Estate egency profits were up 55 per cent at £2.4m for the 12 months to December 31, but

this reflected an expansion in the number of branches. The Exeter-based company still managed a big increase in earnings though from mort-gage lending, where profits were up 45 per cent at £2.07m. The reason lay in strong growth in the mortgage book, 39 per cent up at £516m. L and M is one of the UK's six stock market quoted home service life insurers, which still

collect premiums door-to-door via a huge sales force.

O COMMENT

L and M's efforts to inject itself with new life over the last three years have been welcome, giving it an operational edge perhaps over three old quoted rivals in the home ser-vice life market, Pearl, Refuge and Britannic Assurance. But the fact that it chose to do so largely by thrusting into mort-gage lending and estate agency network has left it heavily

exposed to the housing market. As the latter has drooped, so have prospects for further ontperformance by L and M'e shares. All the more so now that the takeover speculation that swirled around the group throughout 1987 and the first nine months of 1988 has ebbed away, as more UK life assur-ance hids by European insur-ers have failed to materialise. The dividend is still covered 1.2

times by life profits, a high figure hy historic standards. But given the housing market staggroup managing more than an 8 per cent rise in earnings per share this year, suggesting a total 1989 dividend of about 12p. On yesterday's closing share price, down 4p at 276p, that would make the prospective gross yield about 5.8 per

BOARD MEETINGS

The following changes in share

stakes were announced

A final dividend of 1.22p (1p)

The Lee Ming Tee Group has acquired a further 2m ord and now holds 13.4m (27.3 per cent). Bertam Holdings – Rowe Evans Investments has increased its interest and now holds 10.2m. shares (50.96 per cent).

Brasway - The following directors have increased their holdings by way of a scrip dividend option: Mr MW Swahy has acquired 23,374 ord and now holds 2.85m (7.6 per cent), and Mr RA Swaby has a further 74,586, raising his holding to 9.2m (24.6 per cent). Brixton Estates — Guardian Royal Exchange has sold its

entire holding of 34,787 5 per cent pref (23.19 per cent). Cray Electronics — BAT Industries has reduced its holding to 4.1m ord (4.7 per cent).

Eadie Holdings - Stewart
Ivory and Co, acting for clients, has sold 295,714 ordinary. Ivory's interest is now reduced to 2.14m (11.85 per cent). Henderson Administration —

tempted into spendthrift ways.

SHARE STAKES

USF and G Financial Services has bought 991,000 ord and now holds 2.76m (13.13 per Mount Charlotte IEP Securi-ties is beneficial owner of 55.3m ord (17.03 per cent). Normans — IEP Securities has acquired 1.1m ord, and now holds 5.76m (8.823 per cent).

Psion — Mr CW Davies, director, has disposed of 10,000 ord (5.96 per cent). Rea Bros Group — Scottish and Mercantile Investment has acquired 448,395 ord and is now interested in 10.4m shares (26.41 per cent). Regalian Properties — BAT Industries has reduced its holding et 2.74m ord (2.97 per cent).

Tilbury Group – John Govett has bought 100,000 ord end now holds 4.43m (21.11 per cent) on behalf of clients. Tranwood - Shalkh Amin Al-Dahlawi, director, has acquired

at 178p and now holds 1.19m

less than 13.

per cent). Tullow Qil — Scottish Amicable Life Assurance has purchased 5.6m new ord (6 per

100,000 ordinary, increasing his beneficial holding to 5.3m (6.08

Swire Pacific Limited

1988 Final Results

The profit for 1988 before extraordinary items was HK\$3,001,7 million, an Increase of 25,3% over 1987, Additionally, there were extraordinary profits of HK\$385.9 million (1987; nil). The audited consolidated results

wold.	Year ended	31st December 1987
	HKSM	HK\$M
Turnover	25,107.6	20,166.4
Operating profit Net finance charges	5,650.6 554.6	4,565.4 458.4
Net operating profit	5,096.0	4,107.0
Share of profits less losses of associated companies Profit before taxation	215.8 5,311.8	178.8 4,285.8
Taxation	773.6	715.3
Profit after taxation Minority interests	4,538.2 1,536.5	3,570.5 1,174.4
Profit for the year before extraordinary items Extraordinary items	3,001.7 385.9	2,396.1
Profit attributable to shareholders	3,387.6	2,396.1
Earnings per share: 'A' shares	190.2¢	153,3¢
'B' shares	38.0¢	30.7¢
Dividends per share: 'A' shares — interim — final, recommended	23.0¢ 53.0¢	19.0¢ 43.0¢
— 11121, 10001111011000	76.0¢	62.0¢
'B' shares — interim	4.6¢	3.8¢
— final, recommended	10.6¢	8.6¢ 12.4¢
Net assets per share: 'A' shares 'B' shares	HK\$14.44 HK\$ 2.89	HK\$9.51 HK\$1.90

the profit for 1988 before extraordinary items increased by 25.3% and additionally there were extraordinary profits in 1988 of HK\$385.9 million, comprising the Group's share of profits relating to the disposal by Hongkong United Dockyards of part of its dockvard site net of relocation and other expenses and to the disposal by Swire Pacific of associa development rights. Earnings per share have been calculated by reference to the profit before extraordinary items and the weighted average number of shares in issua during each year.

Cathay Pacific Airways Limited reported attributable

profits 33.5% higher than those of 1987. Hong Kong Aircraft Engineering Company's attributable profit increased by 33.2%. Swire Properties' result also higher than those of the previous year. The Hong Kong activities of the shipping, offshora es, and dockyard division improved but overs results remained depressed. Profits within the industries division were similar to those of the previous year. The trading division had a very good year. The insurance division performed satisfactorily. Final dividends. The directors of Swire Pacific Limited will recommend to shareholders at the annual general meeting on 25th May 1989 the payment of final dividends of 53.0¢ (1987: 43.0¢) per share and 106¢ (1987: 86¢) per 'B' share pa on 1st June 1989 to shareholders registered on 26th

May 1989; the share registers will be closed from 15th May to 26th May 1989, both dates inclusive. The directors consider that the scrip dividend scheme, which has been in place since 1982, has served its purpose in that during this period Swire Pacific has retained substantial amounts of cash and Pacific has returned substantial amounts or cash and thus has reduced its gearing significantly. Furthermore, with an ongoing cost associated with servicing additional scrip, it is felt that it would be appropriate for the final dividends for 1988, and future dividends, to be settled wholly in cash.

investment properties and net assets per share. In accordance with the policy of the Group, the annual valuation at open market value of investment properties was carried out at 31st December 1988 by Jones Lang Wootton. As a consequence of the 1988 valuation there has been an increase of HK\$6.486.1 mation in the valuation reserves of the Group, as compared with an increase of HK\$4,023.1 million at the end of 1987. Taking into account both the retained earnings in 1988 and the increase in the valuation of investment properties, the net asset values of the shares of Swire Pacific at 31st December 1988 were HK\$14,44 per 'A' share and HK\$2,89 per 'B' share. which compare respectively with HK\$9.51 and HK\$1.90 at 31st December 1987.

Financing, Net borrowings at 31st December 1988 amounted to HK\$6,504.8 million compared with HK\$6,631.5 million a year earlier. There was a significant decrease in net borrowings of Cathay Pacific Airways. mainly reflecting the strong cash flow generated from operations, and a reduction in unrealised exchange ses in respect of long-term obligations caused principally by the strengthening during 1988 of the Hong Kong dollar against the currencies of those obligations. However, this decrease was offset by increased net borrowings within other parts of the Group, chiefly in the properties and industries divisions, although strong demand for development properties continued to provide much of the funding for the substantial capital expenditure within the properties

Cathay Pacific Airways raises long-term finance in ncies in which it has substantial positive cash flows. This is done to avoid any need to purchase foreign exchange in order to settle the resulting repayment obligations. It also ensures that exchange fluctuations affecting the value of such obligations in those currencies are effectively hedged by corresponding, but of setting, fluctuations affecting earnings. Forecast surplus foreign currency earnings exceed the relevant interest and loan repayment commitments in any year and hence a hedged postion is maintained.

Prospects. 1989 has started well for both the aviation and property divisions. Despite delays in scheduled deliveries of new Boeing 747 aircraft, Cathay Pacific Airways expects another good year, provided that current generally favourable economic conditions continue, whilst Swire Properties looks forward to increasing income from its investment properties as its profits from developments for sale decline as planned. The industries and trading divisions both expect considerably improved results, and the insurance division should consolidate its contribution to Group profits. Another difficult year is foreseen for the shipping, offshore services and dockyard division. At this stage, prospects for the Swire Pacific Group as a whole for 1989 appear to be good but the inflationary trend in Hong Kong, primarily caused by a chronic shortage of labour and rising rents, is worrying.

The Annual Report for 1988 will be sent to shareholders on 3rd May 1989.

D.A. Gladhill Hong Kong, 30th March 1989

Swire Pacific Limited The Swire Group Swire House, Hong Kong.



IBSTOCK JOHNSEN P.L.C.

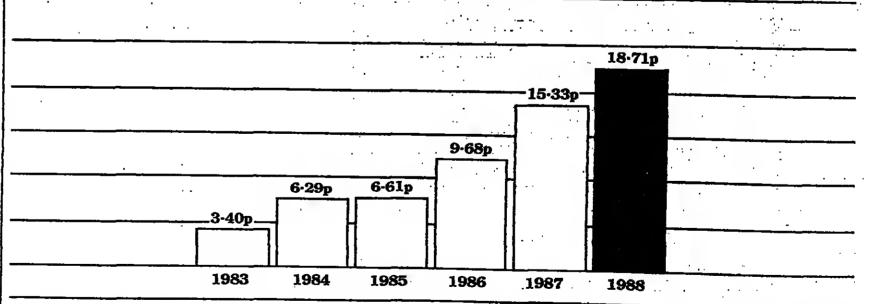
Highlights of the Year Ended December 1988

57% INCREASE IN PRE-TAX PROFIT TO £56.3 MILLION

22% INCREASE IN EARNINGS PER SHARE

37.5% INCREASE IN DIVIDEND PER SHARE





40% COMPOUND INCREASE IN EARNINGS PER SHARE SINCE 1983

Extract from the Preliminary Announcement

"In 1988 the Group spent £75 million on acquisitions and capital investment. The benefits are already starting to flow through.

The first quarter of 1989 has begun well with each of the three divisions ahead of the corresponding period last year.

The outlook is encouraging."

IBSTOCK JOHNSEN P.L.C.

LUTTERWORTH HOUSE, LUTTERWORTH, LEICESTERSHIRE LE17 4PS. LUTTERWORTH (04555) 3071. TELEX: 341010. FAX: (04555) 3182.

The contents of this statement have been approved for the purposes of Section 57 of the Financial Services Act by Peat Manufok McLimtock which is authorised by the institute Chartered Accountants in England and Wales to carry on investment business. Past performance is not necessarily a guide to the tuture.

B Ports rises 22% to £46.5m

By Kevini Brown, Transport Correspondent

ASSOCIATED BRITISH Ports tainer Terminals. However, Holdings, property developer volume increased from 90m Holdings, property developer and ports operator, yesterday announced an increase of 22 per cent in pre-tax profits to 246.5m last year, on turnoyer up 7 per cent at £211.8m. Earnings per share increased

andon's Piccadilly Circus.

ABP said the fully developed value of the property portfolio held by its subsidiary Grossinvestors digested a property £620m, of which £330m was revaluation but recovered later accounted for by retail developments, £210 by office developments, and £80m hy office developments are costs were accounted for by retail developments.

Turnover on port operations was down slightly, from £158.1m to £158m, mostly because of the sale to Ben Line and P & O Containers of a part interest in Southampton Con-

and the group said it had acquired a number of poten-tially valuable development tonnes to a record 96m tonnes. Pre-tax profits from property activities increased from £19.3m to £23m, following the completion of several projects, including the London Pavilion, sites around the M25 London

orbital motorway.

Development schemes are under way at 12 of the group's under way at 12 of the group's ports, of which the most important are at Southampton, where plans have recently been announced for a 24 acre development at Queen's Quay, between the existing developments at Ocean Village and Town Quay.

O COMMENT

Sir Keith Stuart, chairman, was bullish about the prospects for ABP's port operations yesterday even before the announcement that the Gov-ernment plans to abolish the antiquated Dock Lahour Scheme. Since its 21 ports, representing 25 per cent of UK

port capacity, are all in the scheme, ABP will clearly be a major beneficiary of abolition. Sir Keith's claims that the scheme is costing ABP up to \$20m a year in lost business may have been exagerrated, but there will clearly be opportunities to attract new activities to the quayside, as well as the benefits of an improvement in competitiveness against ABP's European rivals. In the short-term, any savings in labour costs will flow straight through to the bottom line. ABP is at least half a property company these days, but portrelated income was likely to grow faster over the next couple of years in any case, since ple of years in any case, since rental income from some of the group's larger projects will not come on stream until after 1990. The group announced an increase in the surplus of port land over hook value from £70m to £189m, but the revaluation takes no account of the development potential of the land. A more important indica-tor of future prospects is Sir Keith's estimate that around 3,000 acres of port land will be available for development over the next 10 years. Since much of ABP's success since privati-sation in 1983 has been based on the development of around a tenth of this amount, Sir

Improved margins help Quicks rise 19%

QUICKS GROUP, expanding motor and parts distributor, achieved pre-tax profits of £3.51m for 1988, a rise of 19 per cent on the previous year's £2.93m. Turnover advanced from £134.4m to £152.8m.

£152.8m.

The group, long established as a Ford main dealer in the north-west, moved into the West Midlands last summer, opening a Peugeot Talbot dealership in West Bromwich, which has since achieved sales of £3.2m, according to Mr Norman Quick, chairman.

New vehicle sales across the group were static at about

group were static at about 14,000, but new car margins increased due to improved increased due to improved marketing in "buoyant economic conditions", he stated. Further investment of £3m will by the summer hava introduced eight new franchises.

Mr Quick said the group was also planning further growth in contract hire, while continuation of hire purchase financing and associated capital allowances would benefit the

allowances would benefit the group's tax position. Tax in 1988 amounted to £773,000 (£400,000) and earnings per 10p share were 18.6p (19.3p). The proposed final dividend is lifted to 3.5p making 5p (4p adjusted) for the year. Property profits help boost George Oliver to £7.11m

GEORGE OLIVER (Footwear), the UK's third largest specialist shoe retailer, yesterday raported a 53 per cent improvement in full-year taxable profits and announced moves to diversify from its core operations.

However, the advance in pre-tax profits for 1988 to £7.11m (£4.66m) was struck after property profits of £4.34m (£2.31m) and higher interest charges of £1.83m (£1.44m). At the trading level therefore, the advance was restricted to 22 per cent at £4.6m. Mr Ian Oliver, chairman,

said the level of trading profits was a reflection of what had happened throughout the fash-ion and retail trade. The suc-

turnover - up just 8 per cent to 290.88m - and the group also suffered from uo-seasonal weather throughout Trade in the current year,

however, continued to improve from the depressed level of January, he added.

Earnings per share rose 56 per cent to 96.64p (62.09p) and a recommended final dividend of 12.4p gives a 15p (12.5p) total. A

two-for-one scrip issue is also proposed. Oliver has agreed the purchase of three companies to hroaden its trading activities. Consideration for the largest, Photo Shop, a Harrow-based

cession of interest rates rises business with 30 fast film pro-had had a "dramatic" effect on cessing outlets, is a maximum cessing outlets, is a maximum £3.87m in cash and loan notes. It made taxable profits of £353,000 on turnover of £4.56m in 1988.

Oliver inteods to convert some of its surplus properties into Photo Shop outlets during the current year.

In additioo, Frame It, a spe-cialist picture framing busi-ness based in Cheltenham, is being acquired for £885,000, while Brick Studio and Manufacturing, a Leicester-hased shopfitting design and installation group is being acquired for £625,000.

In view of the diversification, the company is changing its name to the Oliver Group.

Goldberg raises Tootal stake to 24%

in the 500,000 sq. ft. Buchanan Centre in Glasgow, which is being jointly undertaken with Bredero Properties.

Three large schemes are also under way in central London.

MR ABRAHAM GOLDBERG, the Australian industrialist who has been building a stake in Tootal, yesterday amounced that he has increased his hold-christmas and has since been that the has increased his hold-christmas and has since been that the latter of the control that he has increased his hold-ing in the UK textile group from 23 to 24 per cent. Mr Gold-herg bought 750,000 Tootal that he has increased his hold-ing in the UK textile group adding to his holding. Two months ago Mr Gold-herg bought 750,000 Tootal herg proposed a merger shares thereby boosting his take to 67.8m shares, writes take to 67.8m shares, writes the tween Tootal and his Austra-lian textile interests. The Too-tal board, which is opposed to his involvement with the shares thereby boosting his stake to 67.8m shares, writes

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group, rejected his proposals.

Mr David Wormsley, a manager at the corporate finance department of Schroders, which is advising Mr Goldberg, said the Australian was "still reviewing all his options" as to whether or not to mount a full hid for Tootal. He also said hid for Tootal. He also said that Mr Goldberg, who is presently in Europe, envisages buy-ing more shares in the group.

Keith's landbank clearly represents a very good het, espe-cially when combined with a resurgent ports division.

Filofax sees slight rise to £2.72m

PILOFAX, the personal organiser group which came to the USM in April 1987, saw only a slight rise in pre-tax profits from £2.62m to £2.72m during the year to December 31. Turnover increased 14 per cent to £14.7m (£12.86m).

Earnings per share rose to 12p (10.7p). Directors are rec-ommending a final dividend of 2.7p (2.5p), for a total of 3.45p

Mr David Collischon, chair-

man, said the results had been influenced by changing patterns in UK sales and heavy competition in Japan.

The company is seeking to overcome these problems through diversification and stepped-up marketing. Executives appointment have been made to further this policy.

The chairman said there was marked improvement in sales in the second half due to an

intensive marketing campaign. European markets are expanding, and the American subsidiary hoosted reveoues hy at least 70 per cent during the

Mr Collischon is confident of future growth, hut sounded a note of caution for the short-term which would be adversely affected hy an increase in costs for managemeot, marketing and research

S DANIELS Encouraging outlook despite loss

AN IMPROVED second half performance left S Daniels, the food and beverage products importer, with a pre-tax loss of £231,000 for 1988, compared to a profit of £572,000, but the final dividend is cut to 1.25p.

This makes a total of 2.5p, against 3.25p. There was a profit of £96,000 in the second half and the directors said this was encouraging, and they looked to an improvement for the current year.
Future dividends would be increased in line with

profitability, they stated. Turnover fell to £35.65m (£39.59m) and operating profit to £3,000 (£399.000). On top of that, there was a £271,000 exceptional loss connected with a contract for packing

costs, Loss per share was 2.340 (earnings 4.72p). The directors said packing coffee had been changed and benefits were seen in the last

DRUCK HOLDINGS **Promising**

prospects-First half profit at Druck Holdings, the USM-quoted maker of electronic pressure measuring devices, rose to £1.59m pre-tax, and the interim

dividend is lifted to 2.5p.

The profit compared with
£1.13m, out of £3.14m achieved for the full year ended June 30 1988. The directors explained that the difference between halves this year would be less marked. They expected satisfactory progress by the year-end and said longer term prospects looked increasingly

over the short to medium term they were confident of an increasing-order level especially as the general range will be enhanced by the the launch of new products.

Turnover in the half came to £7.7m (£6.1m). Earnings were 15.1p, against 10.7p when an interim of 2.2p was paid.,

ATA SELECTION **Profits advance** 43% to £0.9m

A 48 per cent increase in pre-tax profits for 1988 was announced by ATA Selection, USM-quoted recruitment and financial services group. On turnover ahead by 24 per cent to £5.4m the taxable result came out at £944,000 compared

with £661,000.
The directors are recommending an improved final dividend of 1.3p (1.1p) for a total of 2.14p (1.8p). Fully diluted earnings advanced from 3.56p to 5.23p per 5p share. In the recruitment division a

major change in accounting policy has had the effect of reducing profits for this and previous years, but presents a more reliable measure of trading performance, directors

in the financial services division the company entered a new niche area in November 1988 with the acquisition of Printing Equipment Finance, which offers lessing and hire purchase facilities to printing and graphic art industries. Expansion in this company was expected during the cur-

BLETCHLEY MOTOR Prospectus forecast met

News Digest

Bletchiey Motor Group, the multi-franchised motor dealer which came to the USM last November, reported a 22 per cent rise in pre-tax profits from £765,000,to £930,000, in line with the prospectus forecast of not less than £900,000.

The result was after a £40,000 protective provision in relation to certain VAT matters. Turnover grew 36 per cent from £30.12m to £40.91m. After tax of £363,000 (£258,000) earnings per 20p share were 25.4p (23.1p). An interim dividend will be paid in

PTARMIGAN Expansion paying off

Ptarmigan Holdings, the expanding food processing, fish farming and hotel (announced pre-tax profits of £142,000 for the six months to end-December. The outcome compared with a deficit of £98,000 in the corresponding period.

The group is changing its year end and the current period covers the 18 months to end June 1989. Earnings per 12½p share-

worked through at 1.4p (losses of 0.2p). An interim payment of 0.25p is declared for the

MUSTERLIN GROUP Publishes rise to £1.12m

A 58 per cent advance in pre-tax profit for 1968 is reported by Musterlin Group, USM quoted book publisher. From a turnover up 33 per cent to £10m (£7.63m), the profit came out at £1.12m (£703,900). Earnings rose to

(£703,900). Earnings rose to
12.52p (8.65p) and the dividend
is increased by 1p to 4p, the
final being 3p.
Prospecificor 1989 showed
continuing strong growth, and
further acquisitions would be
made in parasit of
geographical and sector
diversifications, this directors
said.

METSEC:

Organic growth set to continue

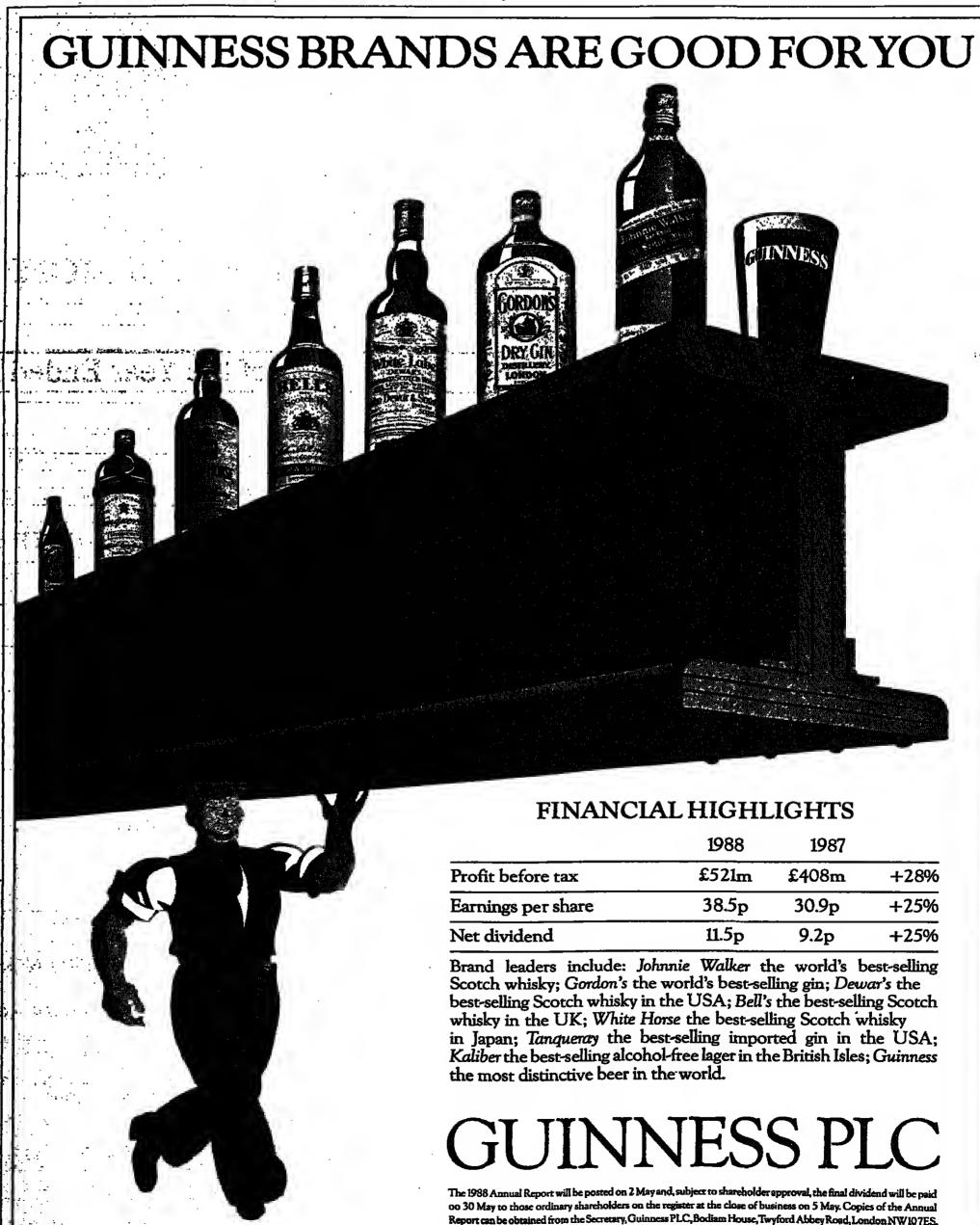
Metsec, the USM-quoted milker of structural components and systems, expanded pre-tax profits by 2582,000 to 22.78m

Turnover coared from £28.77m to £51.88m. Earnings were 14.48p (10.26p), and a final dividend of 1.95p lifts the total to 3.8p

BURNS-ANDERSON Acquisition

of Headway

Burns-Anderson has acquired Headway Personnel for Headway Personnel for £800,000 cash. Headway, which has nil net assets, trades as Accountancy World, Headway Technical Personnel, Tital Industrial Employmentand



UK COMPANY NEWS

Acquisitions help Baird advance by 24% to £32m

By Alice Rawsthorn

WILLIAM BAIRD, the textile and engineering group, emerged unscathed from the intensely competitive condi-tions in UK textiles last year to increase pre-tax profits by 24 per cent from £25.7m to £31.9m. Mr Donald Parr, chairman, said the level of competition in the textile industry had inten-sified in 1988 but Baird bad benefited from volume growth and from the contribution from its recent acquisitions.

Group turnover rose to £371.2m (£290.5m) in the year to December 31. Earnings per share increased to 25.6p (22p). The board proposed a final dividend of 4.7p making a total of 2.55p (4.75p).

7.55p (6.475p). The textiles division saw operating profits increase to £21.2m (£15.7m) on sales of £272.2m (£204.2m). The contribntion from recent acquisi-tions, including the Winds-moor clothing company, accounted for about 70 per cent of the increase in turnover. Mr Parr said, bowever, that the established businesses had experienced healthy organic

The reorganisation of Winds-

Magnetic

Materials rises

28% to £318,000

A 28 per cent rise from £248,000 to £318,000 was announced by Magnetic Materials Group, USM-quoted magnetic components maker, for the six months to end-December 1988, on turnover up from £7,19m to

Directors said the first quarter had been difficult but the major Neosid reorganisation and investment programme was now completed, giving increased operating efficiences and enhanced powder quality. In the second quarter costs were reduced with the company now operating out of

three sites compared with the six it had previously. Directors said there had been an improvement in results from the second quarter onwards. After tax of £114,000 (£75,000) net earnings per 10p share were 1.2p (1p). The interim dividend is maintained at 0.5p.

Last year's total was 2.9p.

moor, acquired last May, has been completed. A new senior management team was introduced and central costs reduced. Mr Parr said the benefits of reorganisation should start to emerge this year, but the full benefits would not be

realised until 1990. Earlier this week Baird announced the acquisition of Centaur, a men's suit manufacturer, for up to £29m. Mr Parr said the deal would broaden the base of Baird's business while offering an entree into men's suits, a product sector which has been relatively resilient to imports.

Darchem, the engineering division, increased operating profits to £11.1m (£9.8m) on sales of £99.1m (£86.3m). Darchem completed its last major nuclear contract in 1988. There will be a smaller contribution from these contracts this year, but the growth of other areas should compensate and Dar-chem is expected to show another increase in profits. Mr Parr said the group had begun the current year well, but the outcome for the textile division in the full year would

be determined by the pattern of consumer spending.

Once again Baird has shrugged aside the tristes of the rest of the textile sector to produce yet another set of bealthy results. There is no reason to expect it to fare any worse this expect it to fare any worse this year. Baird beat a retreat long ago from the more exposed areas of textiles. Windsmoor produced a static performance last year, but the benefits of cost critting should filter through this year. Similarly, Centaur's contribution should be heard by an improved perbe buoyed by an improved perfomance from its JR Clothes factories, while the contribution from new areas of engineering should counter the drop in Darchem's nuclear

Pittard Garnar expands UK sheepskins activities

PITTARD GARNAR, the leather group, has reached argeement with Andrews and Company (Peits) for the pur-chase of its hide and skin market business at Welshpool in mid-Wales for £229,000 in cash.

Pittard says the deal will extend its ability to domestic sheepskins in the UK. Managing director, Mr J. Andrews, will also take on a "wider oper-ational role" on the sourcing of raw materials for Pittard's chamols and clothing division. The company is currently subject to two completed but

Klark-Teknik profit up by 31%

of professional sound and light-ing equipment, raised its first-half profits by 13 per cent to £445,000 pre-tax, but sounded a

concerned the potential acquisition of Pittard Garnar hy rival leather group Strong & Fisher, and the potential increase in the 16.6 per cent holding which Hillsdown, a erty group, has in Pittard, In reply to a written Parlia-

drop in Darchem's nuclear profits. The City expects an increase in group profits to 538m this year and the shares, on a prospective p/e of 9 at 242p, look cheap on fundamentals. But the City's optimism about Baird's prospects is undoubtedly dampened by its pessimism about the overall outlook for textiles.

as yet unpublished investiga-tions by the Monopolies and Mergers Commission. These

mentary question it was dis-closed that the MMC delivered its reports on March 10. No

Klark-Teknik, the USM-quoted manufacturer and distributor months. The half year to Janu-of professional sound and light-\$2.91m (£2.31m). There is a same-again interim dividend of

Placing on **USM** puts £13.8m tag

on Porth

PORTH GROUP, manufacturer and distributor of Christmas

By Vanessa Houlder

and distributor of Christmas decorations, is coming to the USM in a placing which values the company at £13.8m.

Albert E. Sharp is placing 5m shares, representing about 36 per cent of the share capital, at 100p per share. Dealings are expected to start on April 13.

used to redeem preference shares and loan stock totalling £3.6m and provide additional working capital. The directors are selling 410,000 shares to repay personal borrowings. Porth Decorative, the princi-

porth Decorative, the principal subsidiary, makes artificial trees, tinsel, baubles, giftwraps, bows and door and wall decorations, which it sells to over 30 companies. Goodmark, the other subsidiary, makes aerosol products and is also involved in the contract filling of cans. filling of cans.

The husiness, founded in 1939, went into receivership in 1983. The assets were acquired

1983. The assets were ecquired by a company that became part of the Gooding Group. In 1987 the management launched a buy-out. In 1988 operating profits were £1.35m (£0.9m) on turn-over of £15.33m (£13.48m). At a notional tax charge of 35 per cent, the historic price earn-ings ratio is 14.5 times.

Britannia rises 22% to £2.4m

The pre-tax figure of £2.44m (£2m) was arrived at after charging cost of sales £24.15m (£16.13m), administration expenses of £1.79m (£1.57m).Interest payable was

£337,000(£233,000)
After tax of £867,000
(£718,000) net earnings per share emerged at 13.9p (12.9p).
A proposed final dividend of 3.1p (2.5p) makes a total of 4.5p (2.5p).

Dolphin makes £0.9m for seven months

DOLPHIN PACKAGING, the packaging group based in Poole, Dorset, which floated its shares on the USM in September 1987, reported sales of £13.2m and pre-tax profits of £895,000 for the seven month period to end December 1988. The group has changed its year end from May. In the year to May 1988, sales were £12.5m and pre-tax profits £2.5m.

Acquisitions helped push up sales but operating margins fell as some of the acquired husinesses were loss-making. Interest charges also rose sharply, to £482,000 in the

from £10.7m to £19.54m, equal

Britannia Group, property development and construction concern, achieved a 22 per cent increase in pre-tax profits for the year to end December last, on turnover which rose 44 per cent from £19.9m to £28.6m.

said he was confident of the long-term success of the acqui-sitions but warned investors not to become over-optimistic in the short term because of

seven months against £132,000 in the previous 12 months. Mr Rupert Speyer, chairman,

in the short term because of problems in three areas.

One plant in Cheltenham, Gloncestershire, was losing money and had required considerable rationalisation. However, he said, the investment was covered by the value of the freehold property there.

The acquisition was part of the purchase of AMT in Sep-

tember 1988 for £2.5m, which also included Kelder, a box fab-ricator in the Netherlands, which had made a positive contribution to the results.

An Irish egg box company bought from the receiver in April last year had lost money too. Now this had started mak-ing other, more profitable, products and the plant was working extra shifts, he

Profits had also been held back by a five-month delay in hringing a new PVC sheet extruder on stream. Mr Speyer said this was now

working properly and the group was virtually self-ann-cient in PVC sheet and was able to recycle off-cuts which

able to recycle out-caus which helped margins.

Mr Barry Smith, finance director, said that following the acquisitions and £2m of capital expenditure, gearing had risen to 115 per cent, but the group was sure this would fall sharply by the and of the courant year.

current year.
Earnings per share were
3.83p and the dividend 1.87p for
the seven months, which was
7/12ths of the previous year's total dividend.

Capital and Regional advances to £1.1m

IN AN encouraging year, capital and Regional Properties increased its pre-tax profit from £453,000 to £Lim, and is doubling the dividend to 0.6p.

This USM-quoted commercial property investor said net assets at end-1988 had risen

reported that acquisitions made turned out to be highly beneficial, while disposals put the group in a strong position through liquidity.

With the existing portfolio he was expecting very substantial increases in rental income, and therefore capital value, during 1969 and 1990 as a substantial number of rent reviews were falling data. reviews were falling due. In the year ended December 25 1988 rental and management fee income moved up to £2.13m

(£1.6m), there was other income £769,000 and profit on sale of investment property £397,000 this time.

Net interest costs soured to £1m (£141,000).

Earnings were 8.76p (2.75p) and the final dividend is 0.4p.

SHERATON SECURITIES

COMPANY NEWS IN BRIEF

ALEXANDER (WALTER) has issued a profits warning due to the poor trading performance of some of its operating divi-sions. Directors said that pre-tax profits for the year to March 31 would be "very much less" than the £6.5m reported for the previous year. The direc-tors said trading conditions show some signs of improve-

ALVA INVESTMENT Trust reported net asset value per share 260.4p (232.5p) at Februsary 28 1989. Pre-tax revenue for six months 221,321 (64,059 loss) and earnings per share 0.03p (0.8p). Interim dividend reduced to 0.5p (1.3p) to reflect board's concentration on capital contents. tel growth rather than income. ASSOCIATED ENERGY Services: Turnover £2.55m (£2.85m) and loss before tax £147.309 (£103.295) for year to end-September 1988. Losses per share 1.63p (0.96p earnings). Extraordinary credit £147,772 (debit £21,802), including profit on disposal of property less compensation payment to for-mer chairman. Company's shares are traded on the USM. BAILLIE GIFFORD Technolrebruary 28 1989 as 94.7p, compared with 102.2p.
CHARTERED TRUST (subsidiary of Standard Chartered Bank) made pre-tax profit of £23.5m for 1988 (£18.7m) reflecting strong trading per-formances by all operating divisions, including point of sale motor finance, personal financial services, property lending and contract hire. Year-end assets totalled £1.28bn (np £274m). CHINA AND EASTERN Invest-

ment Company: Undiluted net asset value per 50 cent ordi-nary stood at US\$1.69 (21) at January 31 1969 against \$1.4. Gross revenue for the six months to end January \$755,141 (loss \$1.24m) and after tax revenue \$447,748 (loss \$1.55m). GLOBE & PHOENIX Gold Mining reported pre-tax profits of

£74,000 for year to September 30 last compared with a previous year's loss of £65,000. Turnover was £665,000 against £917,000; tax took £9,000 (£2,000) leaving earnings of 7.4p (7.52p loss). Dividend maintained at

HAWKER SIDDELEY has announced an agreement to purchase SenSym, a privately-owned US manufacturer of high technology sensors, for around \$15m (£8.5m).

International and the Malvern Property Company have completed the sale of their freehold interest for some £8m to Robert Jones Investments (UK). LOCAL LONDON Group: Offer from Priest Marians declared unconditional. Purchases and

acceptances total 17.88m shares (88.6 per cent). NEWMAN TONKS has purchased Martin Roberts for an initial £3.27m in cash and loan notes, with an additional £700,000 loan notes if profits for 1988-89 are at least £500,000. Martin Roberts makes and sup-

plies industrial and commer-

cial steel doors, flexible PVC doors and partitioning RESORT HOTELS is to acquire the Elcot Park Hotel-in Newhury, Berkshire, for £4.13m. Elcot's profit before tax and management charges of £120,000 for the year to September 80 1988 was £281,000. RKF GROUP has acquired Real Flame, a manufacturer of fireplaces, for a consideration of

£1.8m to be satisfied by the issue to the vendors of 1.5m new ordinary in RKF.

TOOTAL: Abe Goldberg, through Harbour Bridge Hold-ings, has lifted his stake to 23.5 per cent. Separately, Tootal has acquired industrial and domestic sewing thread divi-sion of Sartel, a French textile company, for approximately. TRANWOOD has sold its 25 per

cent holding in TGP 123, a con-sortium company formed to buy residential property portfo-lio in France, to ICA Holding, a Dutch industrial and property group. Consideration of £5m to be satisfied by issue to Tran-wood of 180,000 shares in ICA at F1 1.20 each and £4m nominal of six months loan notes of ICA. UNIGATE: Mr Larry Goodman,

the Irish businessman, has increased his holding in the food, dairy and distribution group, from 7.87 per cent to 8.83 per cent through the acquisition of a further 2.2m

1987

92,520

9,011

19.6

57.80

10.50

75,340

13,846

260

कारकोत्र में हमारारी जाएक एका अधीर रहे । है

1988

96,639

Annual General Meeting of AB Volvo

The Annual General Meeting of the shareholders of AB Volvo will be held in Lisebergshallen, Orgrytevägen, Göteborg (Sweden) at 4:30 p.m. Wednesday, April 26, 1989.

Matters to come before the Meeting, as prescribed by law and the Company's Articles of Association, shall include presentation of the accounts and annual report for the year 1988; adoption of the Income Statement and Balance Sheet of AB Volvo as well as the Consolidated Income Statement and Consolidated Balance Sheet; disposition of the profit as shown in the Balance Sheet adopted: discharge of the Board of Directors and Managing Director from liability; determination of the number of members and deputy members to be elected by the Meeting to serve on the Board of Directon approval of fees to be paid to the Board and auditors; and the election of Board members, deputy members, auditors, and deputy audi-

The Annual General Meeting shall also consider the proposal of the Board of Directors to authorize the Board to appropriate the sum of SEK 10 million to the Foundation for the Volvo Environmental Prize, as well as a question on Volvo's sponsorship policy raised by a private shareholder.

Right to participate in Meeting

Participation in Volvo's Annual General Meeting is limited to shareholders who are recorded in the share register on April 14, 1989 and who advise Volvo, no later than 12:00 noon, (Swedish local time) Friday, April 21, 1989, of their intention to participate.

Share register

Volvo's computerized share register is main-tained by Värdepapperscentralen VPC AB

Volvo shares are registered in the names of either their owners or trustees. Only ownerregistered shareholdings are listed in the names of shareholders in the share register. Shareholders whose shares are held by the trust department of a bank or by a private broker, may have elected to have their

General Meeting, owners of shares registered in the name of a trustee must have their shares registered in their own names.

in ample time, the holders of trusteeregistered shares should request that the bank or broker acting as custodian of the

Volvo Group operations in brief

(Swedish Securities Register Center)

shares registered in the trustee's names.

To be entitled to participate in the Annual

To assure that such shares are reregistered shares reregister them (temporarily) several banking days prior to April 14, 1989. Trustees normally charge a fee for this service.

Income before allocations, taxes and minority interests, SEK M Return on capital employed, percent 17.5 Income per share, 5EK 52.80 Dividend per share, SEK (1988 proposed) 14.00 Number of employees, December 31 78,614 Salaries, wages and social costs, SEK M 15.254 Provision for employee bonus, SEK M 180 Capital expenditures for property, plant and equipment, SEK M

Notice of intention to participate

Notice of intention to participate in the Meeting may be given, no later than 12:00 noon, April 21, 1989 by telephone: +46-31 59 21 50 or +46-31 59 00 00

or in writing, to:

Legal Department 5-405 08 Göteborg, Sweden

AB Volvo

In providing such notice, a shareholder should state his or her name, personal registration number (where applicable), address and telephone number.

Shareholders who wish to appoint a proxy to act on their behalf at the meeting should notify AB Volvo well in advance of the meeting, giving the name of the proxy. A proxy need not be a shareholder of AB Volvo.

Board of Directors as the record date for the

payment of dividends. Payment is expected to be made through VPC on May 10, 1989. By order of the Board of AB Volvo Claes Beyer, Secretary to the Board S-405 08 Göteborg, Sweden

May 2, 1989 has been proposed by the

Notice to the Warrantholders of

IDEC IZUMI CORPORATION

U.S.\$35,000,000 2 3/8 per cent. Guaranteed Bonds Due 1992 with Warrants

Pursuant to Clause 4 of the Instrument and Condition 11 of the Terms and Conditions of the Warrants, we hereby notify as follows: 1. The Board of Directors authorized on March 27, 1989 to effect a free

to subscribe for shares of the common stock of IDEC IZUMI Corporation

distribution of shares at the rate of 0.1 new shares of each one share held as of April 20, 1989 Tokyo Time (the record date). Accordingly, the subscription price of the above mentioned Warrants will be adjusted pursuant to Clause 3 of the Instrument and Condition 7 of the Terms and Conditions of the Warrants effective as from April 21, 1939 Tokyo Time.

Subscription Price before adjustment Yen 1,159.00 Subscription Price after adjustment Yen 1,053.60

April 7, 1989

IDEC IZUMI Corporation 10-40, Mikumhonmachi 1-chome, Yodogawa-ku, Osaka 532, Japan

ADVERTISEMENT

KREDIETBANK: **EDWARD WAUTERS APPOINTED CHAIRMAN**



With effect from 1 April 1989, Mr. Edward Wauters, hitherto Managing Director, Member of the Executive Committee, in charge of the foreign activities of the Bank, has been appointed Chairman of the Board of Directors of the Kredietbank. He succeeds Baron André Vierick, who has reached the age limit set for the Chairmanship of the Bank's

AEROSPACE

The Financial Times proposes to publish a Survey on the above on

7TH JUNE 1989 For a full editorial synopsis and

advertisement details, please contact: PENNY SCOTT

on 01-873 3389 or write to her at: Number One, Southwark Bridge

London SE1 9HL. **FINANCIAL TIMES**

THYSSEN AKTIENGESELLSCHAFT WESTMINSTER BANK LINITED DEPOSIT CERTIFICATES

Notice that claims may now be todged for the twenty seventh dividant due 20 March 1989, on the Deposit Certificant at the rate of DE-47223 per DM 10 Unit Linked Employment Tay as shown

Group Precious Metal Mining Companies' Reports for the quarter ended 31 March 1989 All companies are incorporated in the Republic of South Africa

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Delofontolo	Canaalidata	_
Driefontein	Consondate	Į

			Nine
	Quener	. Quarter	months
	ended	ended	onded
	31 March	37 Dec.	31 March
	1989	1968	. 1989
FERATING RESULTS			
Gold - East Delefontein			
Ore milled (t)	720 000	720 000	2 170 000
Gold produced (igg)	7 704.0		
Yield (g/t)		8 130,1	26 083,1
	10,7		11,1
Price received (R/kg)	31 205	32 593	. 32 681
Revenue (R/t milled)	334,58	368.66	363,29
Cost (R/t milled)	117.26	115.33	116,10
Profit (R/t milled)	. 217,12	253,33	247,19
			منخضني:
Resence (ROOO)	240 755	265 438	788 344
Cost (8000)	64 432	83 O1Z	251 940
			·——
Profit (ROCO)	156 323	182 396.	536 404
Gold - West Driefontein			
Ore milled (t)	705 400	705 000	2 098 000
Gold produced (leg) ,	7 191.0	69172	
Yleki (g/r).	10.2	98	
Price seceived (R/kg)	31 230	32 431	
THE BUILDING CHART	- 31 430,	32 40% .	32 543
Revenue (R/t milled)	319,87	318.84	323,84
Cost (R/t milled)	140,03	138,45	140,74
Profit (R/t milled)	179,64	180.39	193.10
		1	
		1	
Revenue (ROOO)	224 947	224 779	679 424
Cost (R000).	96 722	97 607	295 274
Profic (R000)	126 225	127.172	384 150
NANCIAL RESULTS (ROOO)			
Working profit Gold	282 548	309 568	920 554
Profit/(loss) on sale of Uninham Oxide		200	
	358	(512)	00
			4
Inbute royalies	186	544	730
Vec uskning revenue	283 092	309 600	921 210
Recovery under loss of profits insurance	4 000	_	4 720
Net sundry revenue (group)	29.582	17 985	70 620
Profit before text and Suse's share of:			
profit	316 674	327 585	996 550
		178 452	553 135
fax and State's share of profit			

150 676

OLVO

... · · ·

TAX. The new rates of mining times announced in the budget by the Minister of Plumoe have been used in the use composition. CAPITAL EXPENDITURE: The unexpended belonce of authorised capital-

expenditure at 31 March 1969 was 1000,0 names.

DEVERSON, A dividend (No. 31) of 80 cents per share was declared on 13 December 1966, and was paid to members on 8 Pebruary 1969.

No. 5 Sub-Vertical Shaft-E. The sheft was such 106 metres to a depth of 1 338 metres below the collar on 22 Level. The excession of 48 Level is in progress. No. 1 Tertiary Shaft-E. Construction work in the winder chambers commus. No. 9 Sub-Vertical Shaft-W. The development of the station byouts on 22 and 21 Level so well as the said as if the cape uses as ill level south are. The come one of the bendges portion between 22 and 21 Levels was raise board.

On behalf of the board

Northam

Northern Fintinum Limited ESSUED CAPITAL: 28 800 000 shares of I cent each, fully paid.

		-		
		10.1		- Nine
		Q	meter Quanter	months
	. /		nded ended	ended
		31 7	terch 31 Dec	31 March
	4.		1989 1988	1909
Pre-production	a Milat			
Development i	Expenditure ()	1000)		
Development i Contol emendin	Expenditure ()	25	947 39 367	99 610
Development i Copital expendin Net income after	Expenditure () ure	1000) 25	047 39 367 723 3 838	99 610 10 582
Development Capital expendin Net income after	Rependiture ()	1000) 		99 610 10 582
Development i Capital expendin Net income after	Expenditure ()	25 25 24		10 582
Development Capital expendin Net income after	iticpenditure ()	25		99 610 10 582 - 89 023

CAPITAL EXPERIENCE The unexpended balance of suchodied capital expenditure at 31 March 1989 was \$408.5 million.

Zondereinide
No. 1 Sheft-Z. Development on 4 Level proceeded to the waste past position and the waste past between 5 and 4 Levels was completed, Shifting was resumed and the shaft advanced 79 metres to a depth of 1 566 metres below collect.
No. 2 Shaft-Z. The stations on 6 and 7 Levels were excession and inset and the shaft was sunk 85 metres to a depth of 1 699 metres below collect.
The installation of the second permanent winder is to progress. The first stage of the settigeration plant was contablationed.

METALLUNGSCAL PLANTS
The exection of the base metal removal plant building and the casting of the

Con behalf of the board

A.J. Wright ... | Directors |

A.J. Tree. |

Vlakfontein

Viakfontein Gold Mining Company Limite (Registration No. 05/06155/06)

	Quarter ended 31 March	Quarter ended 31 Dec	Nine months ended 31 March
	1989	. 1988	1989
OPERATING RESULTS			
Gold - Droogebuls Ore milied (t)	39 411	40 719	116 799
Gold produced (kg)	95,6	108.3	315.4
Yield (g/t).	2,4	2,7	2,7
Price received (R/kg)	31 056	32 347 86.52	32 385
Cost (R/t milled)	75,38 91,80	82,10	87,75 85,70
(Loss)/profit (R/t milled)	(16,42)	4,22	2,05
Revenue (R000)	2 971 3 618	3 515 3 343	10 249 10 010
(Loss)/profit (ROOO)	(647)	172	239
Gold - Surface sources			
Ore milled:			
from surface dumps (t) from outside sources (t)	97 672 72 917	86 602 82 679	273 230 239 971
Total milled (r)	170 589	169 281	513 201
Gold produced (leg)	171,3	178,5	525,2
Yield (g/t) Price received (R/kg)	1,0 31 056	1,1 32 347	1,0 32 383
Reversoe (R/s milled)	31,26	34,16	33,17
Cost (R/t milled)	29,82	30,70	31,05
Profit (R/t milled)	1,44	3,46	2,14
Revenue (R000)	5 332 5 087	5 783 5 197	17 024 15 926
Profix (R000)	245	596	1 098
NANCIAL RESULTS (ROOO)			
Working (loss)/profit Gold	(402)	758	1 337
Net sundry reversue	169	210	596
(Loss)/profit before tax	(233)	968	1 933
Formula tax	68	238	492
Non-mining tax	- =	(2)	
(Loss)/profit after tex	(301)	732	1 441
Capital expenditure	47	517	1 057
AX. The new rate of mining tax as announ nence has been used in the rax computat		dget by the I	dialster of
APITAL EXPENDITURE			
The unexpended balance of authorised		C	2000 days

On behalf of the board

... Venterspost

Venterspost Gold Mining Company Lim ISSUED CAPITAL: 20 200 000 ordinary shares of 25 cents each, fully paid.
4 800 000 deferred ordinary shares of 25 cents each, fully paid.

			Nine
-	Quarter	Quarter	months
T V	ended	ended	ended
	31 March	31 Doc	31 March
	1989	1968	1909
OPERATING RESULTS Gold			
One milled (r)	420 000	405 000	1 230 000
Gold produced (kg)	1 559.8	1 451.3	4 509.6
Yield (g/t).	3.7	3.6	3.7
Price received (R/kg)	31 331	32 295	32 640
Revenue (R/t milled)	116.58	115.92	119,89
Cost (R/t milled)	112,16	111,49	111,24
Profit (R/t milled)	4,42	4,43	8,65
Bevenue (R000)	48 963	46 951	147 469
Cost (R000)	47 107	45 155	136 825
Profit (8000)	1 856	1 796	10 644
TENANCIAL MESULTS (8000)			
Working profite Gold	1 856	1 796	10 644
Net sunday revenue	1 642	1 593	4 667
Profit before tux	3 498	3 389	15 311
Tax	751	(1 540)	2 152
Profit after tex	2 747	4 929	13 159
Capital expenditure	4 232	30 200	35 674
Dividend		5 050	5 050

TAX. The new rate of mining tax as announced in the budget by the Minister of Pinance has been used in the tax computation. CAPITAL EXPENDITURE. The unexpended balance of surhorised capital expenditure at 51 March 1969 was R121.6 million.

On behalf of the board

Libanon n Gold Mining Company Lin (Registration No. 05/08381/06)

			Nine
	Quarter	Quarter	months
	ended	ended	ended
	31 March	31 Dec.	31 March
	1989	1968	1989
OPERATING RESULTS			
Gold			
One milled (t)	435 000	435 000	1 305 000
Gold produced (kg)	1 783.5	1 827,0	5 437.5
Yield (g/t).	4.1	4.2	4,2
Price received (R/kg)	31 296	32 310	32 570
Revenue (R/t milled)	128,54	135,99	135,95
Cost (R/t milled)	118,63	117,13	115,75
Profit (R/t :ndled)	9.91	18,96	30,20
			
Revenue (8000)	55 917	59 157	177 413
Cost (R000)	51 608	50 952	151 057
Profix (R000)	4 309	8 205	26 356
FINANCIAL RESULTS (ROOD)			
Working profit: Gold	4 309	8 205	26 356
Net sundry revenue	2 208	1 923	5 703
Profit before tax and State's share of			
profit	6 517	10 128	32 059
Tax and State's share of profit	438	(1 077)	3 098
ARE AND GOMES SHARE OF PRODE,			
Profit after tax and State's share of			
	6 579	11 205	28 961
Profit after tax and State's share of	6 579	11 205	28 961 19 470

CAPITAL EXPENDITURE. The unexpended balance of authorised capital fiture at 51 March 1989 was R101,6 million.

DIVIDEND. A dividend (No. 76) of 20 cents per share was declared on 13 December 1988, and was paid to members on 8 February 1989.

On behalf of the board

Kloof Gold Mining Company Limited (Registration No. 64/04)62/06) ISSUED CAPITAL: 121 100 000 shares of 25 cents each, fully paid.

Kloof

			Nine
	Quarter	Quanter	manch
	ended	ended	ender
	31 March	31 Dec.	31 Numb
	1949	1988	1989
OPERATING RESULTS			
Gold			
Ore milled (t)	540 000	510 000	1 630 000
Gold produced (leg)	6 268.7	7 212,0	20,746.2
Yieki (g.t).	11,6	24.4	12.0
Price received (R/kg)	31 259	32.746	32 549
Revenue (R/t milled)	363.50	وواوله	417,50
Cost (R/t milled)	174, 19	103,26	205,05
Profit (R/t milled)	189,31	270,08	252,54
Revenue (ROOO)	196 291	24 006	676.49
Cost (R000).	94 063	SN IOI	267 540
Profit (R000)	102 228	145 845	409 10
FINANCIAL RESULTS (ROOO)			
Working profit: Gold	102 228	145 845	409 10
Net sundry revenue	8 630	5 505	21 0 h
Profit before tax and State's share of			
profit	110 858	151 410	440 151
Tax and State's share of profit	27 174	22 (35	91 35
Profit after text and State's share			
of profit.	83 684	120 275	336.79
Capital expenditure	57 344	101 942	249 24
Dividend	_	72 660	72 000
Issue of debennies	19 075	_	35 425

CAPITAL EXPENDITURE

(b) Included in the total of capital expenditure for the quarter ended 31 March 1989 is an amount of R38,0 million in respect of tectudorm. DIVIDEND, A disidend (No. 38) of 60 cents per share was declared on 13 December 1988, and was pold to members on it February 1989.

Doornfontein

Doornfontein Gold Mining Company Limited ISSUED CAPITAL 40 000 000 shares of 25 cents each, fully paid.

	Ouarter	Ounter	months
	ended	coded	ended
	31 March	31 Dec	31 March
1	1989	1988	1989
OPERATING RESULTS			
Gold			
One milled (r)	390 000	366 000	1 122 000
Gold produced (kg)	1 950.0	1 937.6	5 6247
Yield (g/t).	5.0	5.3	5.0
Price received (R/kg)	31 284	32 301	32 476
Revenue (R/t milled)	156,64	170,42	163,06
Cost (R/t milled)	148,07	152,54	150,05
Profit (R/t milled)	8,57	17.88	13.01
A production of the same of th			
Revenue (R000).	61 089	62 372	182 948
Cost (R000)	57 746	55 829	168 354
Profit (8000)	3 343	6 543	14 594

PINANCIAL RESULTS (R000)			
Working profit Gold	3 343	6563	14 594
Net sundry revenue	2 215	1 670	5 444
Profit before tax and State's share of			
profit	5 558	8 213	20 038
Tax and State's share of profit	881	956	2 623
Profit after the and State's share			
of profit	4 677	7 257	17 415
Capital expenditure	3 974	6 164	18 565
Dividend	_	4 000	4 000
TAX. The new rate of mining tax as announce Finance has been used in the tax computation		dget by the	Minister of
expenditure at 31 March 1989 was 890,4 mil		of authoris	es capital
DEVIDEND. A dividend (No. 64) of 10 ce December 1988, and was paid to members of			red on 13
COT MITTED The method of continuous by			

ORE MILLED. The method of sorting one has been changed from reef to waste-picture, and as a consequence, the sample rate has declared giving as increase in the milling rate.

On behalf of the board A. J. Wright
M. J. Tagg

Directors

Deelkraal

Decikraal Gold Mining Company Limited (Registration No. 74/00160/06) ISSUED CAPITAL: 99 540 000 shares of 20 cents each, fully paid,

OPERATING RESULTS Gold Ore milled (t) Revenue (R/t milled) 204,15 2/2,49
Cost (R/t milled) 103,19 99,15 100,61 Profit (R/t milled) 100,96 123,04 106.48 Profit (R000). 40 889 45 783 129 371 FINANCIAL RESULTS (ROOD) Profit before tax and State's share of Profit after tax and State's share CAPITAL EXPENDITURE. The unexpended balance of authorised capital expenditure at 51 March 1989 was R188,0 million.

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No. 5 SHAFT
The shaft was sunk 160 metres to a depth of 311 metres below collar. DEVELOPMENT. Development on 9 Level has reached the site of the proposed No. 3 Sub-Vertical Shaft.

On behalf of the board

London, SWIP 1PL

THE PROPERTY MARKET

Paul Cheeseright crosses the Irish Sea to explore Dublin's property scene obin Power chatted. Sit-ting in the Georgian house which is the Dublin headquarters of Power Cor-

Frothy market on the Liffey

"Every week four or five of our people fly to London while plane loads of British are fly-ing the other way." he remembered saying. Back came the retort: "Maybe both of you

poration, the Irish property group, he recalled a conversa-tion with an institutional

have got it wrong?"
The implication of that retort is that both markets become dangerous places for outsiders. Power has expanded out of the narrow Irish market and taken its retail property ambitions to the UK and the US. British developers and investors have noted that the contrast between Irish inflation (at 2 per cent) and interest rates (at 8 per cent) with those in Britain has belped to create an encouraging commercial climate. For Irish property, this director. Sites are sometimes being bought in anticipation of a gen-

comes as a sharp relief after six years of depression. The British incursion comes at a time when the Irish investment community seeks a home for its funds. The combination of the two has meant that Dublin market sentiment is running ahead of events on the ground. "The office market is investment-led rather than end-user led," commented lan a square foot.
A significant portion of Dub-

French of Hamilton Osborne King, chartered surveyors. The atmosphere is not unlike that in the City of London in the summer of 1987. The difference is that the demand for space in the City then was stronger than it is in Dublin

now. Mr French expects to see
Dublin demand pick up by the
end of the year. Meanwhile it is running along at around

300,000 sq ft a year.
What is bappening is that site prices are being bid upwards. British Land, active in the market since the early 1970s, now completing the St Stephen's Green shopping cen-tre and leading the consortium at the 1m-sq-ft-plus Custom at the Im-sq-(t-plus Custom House Docks development, has stepped back. "It's getting a bit pricey. We're not bidding," said Cyril Metliss, a British Land

eral rental risa. While there have been isolated lettings at I£ 16 (£13.40) a square foot, prime rents are more generally around IS 8.50 and space is available at I£ 10. Yet some recent land transactions have been concluded at prices suggesting that buyers are expecting to lease space at I£ 15-I£ 16

lin's office stock is in converted Georgian town houses where it is possible to obtain some 4,000 sq ft of space. Six months ago, when prices were more stable, Power Corporaplanning to convert it, and, in fact, started work. A month

later Power was offered a price which gave it I£ 100,000 profit and accepted. The property has recently been on the market at I£ 430,000. That suggests rents of I£ 11-I£ 12 a square foot against a current level for this

sort of property of about 1£ 7.50.

There is a degree of frothiness about all this. But, assuming general business expan-

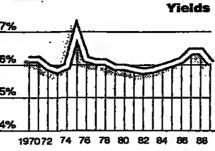
sion, there is some justification for it because of the low level

of office building in recent

years. Indeed, there would have been hardly any building at all had it not been for con-

sistent demand from the public sector in the mid-1980s.

The effects of this limited



development are clear from Hamilton Osborne King's analysis of the market. This

3,336

sharysis of the market. This showed that at the turn of the year thare was a total of 475,000 sq fit of both new and secondhand space available on the market, but only 20,000 sq. fit of that was prime new space. Last year's take-up of office space came to 220,000 sq. fit. space came to 320,000 sq ft, slightly higher than 1987, but of that total 82,000 sq ft was new space, less than half the amount of 1986 and 1987. There is, in short, a shortage of new office space, just as there had been in the City of London at the time its building boom started in 1985-86. But the Dublin market is a

small one and it can rapidly turn from famine to feast. Indeed there are planning consents for 2.76m sq ft of space, relatively a very large amount. Just over half of this is in two Irish Life developments and in Customs House Docks.

Completions

Billion sq. ft.

Custom House Docks, with its own development authority hased on the London Docklands Development Corpora-tion, is a 12 400m project, the largast property venture Ireland has seen. It is inspired by the Government's desire to see Dublin establish a corner for itself in the international financial market

Thus tenants and buyers of property at Custom House

Docks attract a whole range of subsidies running from capital allowances, through rent allowances to concessions on allowances to concessions on corporation tax. These incen-tives are primarily directed at the international market but there are none the less sub-stantial benefits for domestic

All of this is good news for the project's davelopers because their venture is thus given a special place in the market. The consortium— British Land, Hardwicke and McInerney Properties - brings together British and Irish companies and there is no doubt that British Land's financial muscle and previous involvement on the Irish market helped the consortium win lection during a 1986 compe-

The extent to which Custom House Docks will overhang the general market is not at this general market is not at this stage clear. It need not if the occupiers take space which otherwise they would not hay a taken or which does not leave a hole in the general market.

The actual office content of the scheme, which embraces, shopping, a hotel and museum, is nearly 760,000 or it spread over eight buildings. Construction has started on two build-

tion has started on two build-ings and negotiations for the sale of the first building to sale of the first building to Allied Irish Banks are nearly complete. Further negetiations on sales are also taking place with National & City Brokers and Guinness Peat: Aviation. Jones Lang Wootton, the chartered surveyors which played a role in pulling the development. consortium together and which is now charged with letting the space. charged with letting the space, explains that the search for occupiers is directed at special-

ist areas of the financial sector - treasury operations, fund management, re-insurance and So far JLW has managed to sign up; among others, Japa-ness leasing companies, US German, Belgian and Irish

banks. This means that the project is becoming increasingly bankable possibility of early and convenient to cashflow. For lather to cashflow, will be raised a separate facilities for a separate facilities for a separate.

building.
But the importance of tom House Docks for the inerty market goes beyond question of supply

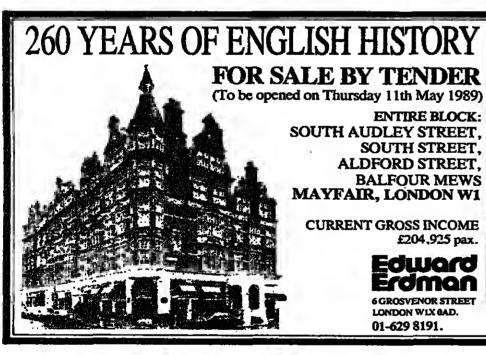
It extends the floatiest life; trict across the River Life; from south to north, it could at the same time be a catainst in the revival of the Life; five front areas, which life; become increasingly disclett. Other developments from other developers are planned. Captom House Docks is an expulse in urban regeneration on the waterfront.

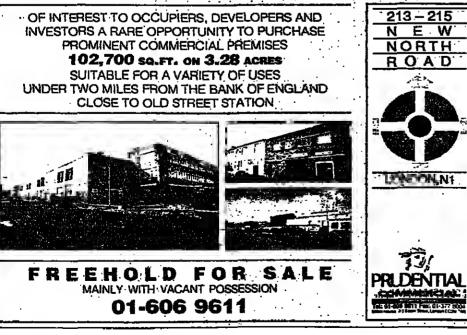
Such prospects have being more attractive to project companies in the light of the greater confidence which has swent through the meriod and swept up prices. Office detailsment is a further link by the chain of expansion.

There have been retail developments—most notably the Stephen's Green centre in Emblin and, in Cork, a town centre omplex by Heron. There has been a boost to priors in the residential market. What there has not been so be 14 much expansion of the lifeustrial property market. The sequence s not that dissimilar from what has happened in the English regions where the industrial market followed retail and offices.

1







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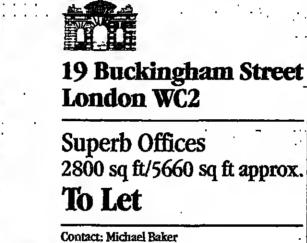
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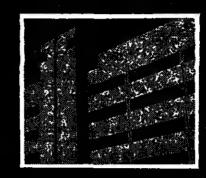
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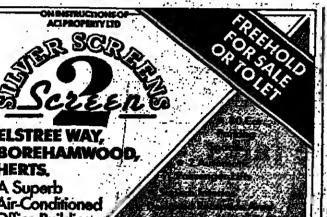
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In accordance with the provisions of the Notes, notice is hereby given as follows:

Interest period: 3rd April, 1989 to 3rd July, 1989 Interest payment date: 3rd July, 1989 Interest rate: 13.625% per annum Coupon amount: £33,969.18 per note of £1,000,000

Banque Internationale à Luxembourg Societe Anonyme Agent Bank

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secondance with the provisions of the Notes notice is hereby given that for the interest od from 11 April 1989 to 11 July 1989 the notes carry and interest rate of per cent amount. The interest payable on the relovant interest payment date 11 July 1989 against old on the relevant interest payment per USD 50,000 pote

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Information intended for the holders of bonds convertible into shares to 1444 1980.

The Board of Directors having the mostly distingting the manufacture of the shares of

The Sound of Directors having planned, during its meeting of April 4, 1989, to eventually merge the Company through absorption, the bond holders are informed that, in accordance with the provisions of Article 1981, of the law of July 24, 1985, the Board of Directors has resolved, during the states meeting, to suppose and acceptance meeting.

same meeting, to suspend, as of April 21, 1969 until June 20, 1969 une 20, 1969

the emerciae of the right ent the above-mentioned onds into share

THE BOARD OF DIRECTORS

on so. 3 due from March 31, 1989 sprember 29, 1989 will be payable September 29, 1989 at the rate of

LEGAL NOTICES

GRANDEES LIMITED

Trade classification; 08
Date of appointment of joint admit receivers: 28 March 1979.
Name of person appointing the joint rather receivers: Midland Blank pic MICHAEL ANTHONY JORDAN and NIGEL JOHN YOOGHT

(Office holder may 169 and 800) of Cork Guify, Shelley House, 3 Noble Street, London EC2V 7DQ GOR-RAY INTERNATIONAL LIMITED

Registered number: 2094296
Nature of business: Clothing Manufacturer:
Trade clessification: 69.
Date of appointment of joint administrative receivers: 29 March 1999.
Name of person appointing the joint administrative receivers: Middled Bank plo.
MICHAEL ANTHONY JORDAN and NIGEL JOHN VOOGST
Joint Administrative Receivers Victor John Vocati Property (Office helder nos 159 and 690) of Cork Golf House 3 Noble Street London ECZV 70Q

GOR-RAY LIMITED

Registered number: 360070 Nature of business: Clothing Manufacturer. Trade classification: 08 Date of appointment of joint administrative receivers: 29 March 1889 Name of person appointing the joint admittative receivers: Midland Benk plo MICHAEL ANTHONY JORDAN and NIGEL JOHN VOOGHT Joint Administrative Receivers (Office holder non 159 and 690) Cork Gully, Shelley House, 3 Noble Street, London ECZV 7DQ CLARENCE MEULATION SERVICES LIMITED

Registered Number: 200578. Nature of business: RASULATION CONTRAC-TORS. Trade classification: 31 MINNING & ENERGY. Administration order made 17 MARCH 1888.

RECTIFICATION

A/S JVSKE BANK USD 40,000,000 Floating Rate Notes due 1994

In accordance with the terms and con-ditions of the Nobes, notice is hereby given that for the aix months period from October 31, 1986 to April 28, 1989 wom October 31, 1986 to April 26, 1999 the Couplon amount per USD 18,000 will be USD 482 81 and per USD 250,000 will be USD 420.85 and not respectively USD 480.81 and USD 12,229 05 as wrongly attated in the notice published on April 3, 1989.

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Poor weather could cut US harvest sharply

By Nancy Dunne in Washington

HIGH-LEVEL US Agriculture
Department officials told a
House agriculture subcommitharvest about one-fifth of the House agriculture subcommit-tee that poor weather condi-tions in Kansas and other Great Plains states might dras-tically cut yields in the US winter wheat crop, pushing down exports from 1.5bn bushels to 1.4bn bushels next year.

Mr Ewen Wilson, an assistant USDA secretary for eco-nomics, and Dr Norton Strommen, the Department's chief meteorologist, said drought and winterkill had destroyed wheat plantings in Kansas, Oklahome end other Great Plains etates. Dr Strommen said in some areas there were losses of between 15 and 20 per cent through winter-kill.

In a preliminary, unofficial estimate, Mr Wilson said out-put could fall to a low of 2.3bn hushels for the entire year. Stocks were likely to drop below 500m bushels, ha said. That is a key level which the USDA does not like to go

Yields. Mr Wilson said, could be cut about 10 busbels per acre – equal to the largest decline ever – and he pre-dicted that farmers in Kansas,

The pessimistic estimate was echoed by Mr John Schnittker, a leading private consultant, who forecast a reduction in the winter wheat crop of nearly 15 per cent. About three-quarters of all US wheat is grown in the

winter.
Mr Schnittker said winter wheat output would drop to about 1.6bn bushels, down from a potential harvest of 1.850n, and he urged the Bush Administration to cut acreage reduction schemes and grant export subsidies only with great discretion until at least

mid-year. On April 3, the Agricultural Statistics Service rated 46 per cant of the Kansas winter wheat crop at fair-to-poor and 48 per cent at very poor. How-ever tain last week was reported to have brought some

improvement.
"The key to 1989 crop yields will be timing, amount and dis-tribution of spring rainfall," Mr Wilson said. The current 90 day forecast sees a return to more normal precipitation pat-

Philippines seeks rice under US aid prgramme

By Richard Gourlay in Manila

in Washington this week purchasing 250,000 tonnes of rice under the US Public Law 490 aid programme in an attempt to cap domestic hoarding that has led to a sharp rise in the price of the country's staple food.

Washington this week purchasing 250,000 tonnes of rice zuela," referring to riots last month triggered by increases in prices of some basic commodities, while Mr Fidel Ramos, the Defense Secretary, yesterday said the price rises were "artificial" and called for concerted action to prevent aid programme in an attempt to cap domestic hoarding that has led to a sharp rise in the price of the country's staple food.

They will try to negotiate the purchase under PL 480's title two, the grant portion of the programme, and falling that under title one, the soft loan arm, according to the government's National Food Authority which has sole authority to import rice and runs the price stabilisation pro-

gramme.
National stocks have fallen to 193,000 tonnes, or 75 days of national consumption, down from what it considers a safe level of 90 days supply, the

boarding by traders and millers, a 20 per cent price hike in 10 days and threats from militant trade unionists of widespread industrial disrup-

Wben President Aquino approved the import of rice last week ohe said: "I do not

PHILIPPINES OFFICIALS are want even a few hours of Vene concerted action to prevent speculative hoarding.

In January last year after rice stocks fell to 77 days of consumption during the dry season, the Philippines imported 151,000 tonnes from the US through PL480 and was given 20,000 tonnes by Austra-lia and 10,000 tonnes by China, according to the NFA. They were the first imports since

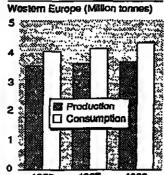
Philippine rice technology. which was once taught to Thailand and helped to put that country among the NFA says.

Reports of rice shortages have led to a charp increase in failed to keep pace with population growth and the vagaries of weather.

About 60 per cent of annual rice production is grown during the wet season, July to December, with the rest in the dry season, January to June, Only 55 per cent of rice land is

GOCOA E/tonne

Primary Aluminium



Aluminium use still outpacing production

By Kenneth Gooding, Mining Correspondent

BOTH PRODUCTION and consumption of aluminium in Western Europe last year reached record levels, accord-ing to the European Alumin-ium Association.

Growth in consumption continued to outpace output by a big margin and Western Europe is now becoming a sub-otantial importer of primary

aluminium.

According to the association, primary aluminium ontput rose by 1.2 per cent last year from 3.525m tonnes in 1987 to an unprecendented 3.567m

At the begining of last year the association had predicted a production growth rate of production growth rate of between 1.5 per cent and 2 per cent. The shortfall can be accounted for by the wildcat strike which damaged pot lines and closed Inespal's San Ciprian smelter in Spain in the first months of 1988. San Ciprian has an annual capacity of about 188,000 tonnes but the dispute reduced output be an dispute reduced output be an estimated 50,000 tonnes.

The association says primary aluminium consumption rose by 4.6 per cent from 4.056m tonnes in 1987 to a record 4.242m tonnes, it says most of the growth was experienced in France, Italy, West Germany

and the UK.
Countries monitored by the association also include Australian the tria, Greece, Iceland, the Netberlands, Norway, Spain, Sweden, Switzerland and Yugo-

 Aluminium prices on the London Metal Exchange yester-day maintained the break above the \$2,000 a tonne level achieved on Wednesday. However, contrary to some chartists predictions, it did not advance much further. Aluminium for immediate delivery rose by \$17.50 to close at \$2,055 a tonne while metal for delivery in three months

was up by \$18.50 to \$2,027. Traders said buying continued to absorb selling resistance which restricted the metal's upward movement.

Australia warned on oil deficit

largest user of Western oil and among Indian and other native

By Chris Sherwell in Sydney

AUSTRALIA COULD faces a oil and petroleum products nine times higher than current levels by the year 2000 unless the Government adopts a more robust stance on domestic

The warning comes from the Geneva-based Petroconsultants group, and is timed to coincide with the annual conference of

starts in Hobart on Monday. In a separate but related development, Esso, operator of the Bass Strait field, Australia's biggest domestic source of oil, has renewed a national advertising campaign critici-sing the disincentives which make it uneconomic to invest in exploration and even to extract known reserves from the Bass Strait.

The two claims come at a time when Australia's chronic tants, the expected downturn

The three companies, Impe-

rial Oil, Shell Canada and Gulf

Canada Recources, have applied to the National Energy

Board for a permit to export the gas. Three other groups are

balance of payments problem is showing further serious deterioration and production from Bass Strait is running

in Australian crude and con-densate production from 189m barrels in 1988 to 79m barrels barrels in 1988 to 79m barrels in the year 2000, combined with demand growth of 2.2 percent per year, will increase outlays on crude from A\$1.18bn (£550m) in 1988 to A\$5.17bn by 2000 in constant dollars. With rising imports of petroleum products, the deficit on petroleum trade would rise from A\$620m to A\$5.36bn.

Despite this, the trend is for companies operating in Australia to make more exploration from Bass Strait is running down. Because the country's undiscovered crude resources could be as high as 3bn to 4bn barrels, or 12 to 15 years' supply, it is argued that an enhanced exploration effort would lower forecast import bills.

lia to make more exploration investment abroad, and the assumption by the Govern-ment is that the difference can be made up through purchases on a relatively low-priced world crude market, paid for with gains made from non-oil resource exports.

According to Petroconsul-tants, such an investment exo-dus hy the oil companies amounts to a form of voting with the feet which demands a policy response and a re-think-ing of incentive schemes by the

ing of incentive schemes by the Government.

Moreover, while Australia may feel sure now of future supplies, it says oil should not be viewed as just another commodity and Australia should minimise its dependency on

Potato futures surge higher

A SUDDEN jump in the London potato futures market has lifted prices by up to 60 percent this week. At last night's close the April futures position was quoted \$17.50 up on the day at £98.50 a tonne, compared with £62.50 on Monday night.

Mr Adam Peel of J.W. Geskell (Commodities) said the main reason for the upsures

main reason for the upsurge was the inability of some short was the inability of some short sellers to meet delivery commitments. Physical prices had risen, he said, raflecting the poor visual quality of samples offered against futures contracts. The unusually mild winter had resulted in a high level of sprouting and problems with "silver scurf" disease. Silver scurf can be controlled with a fungicide suray trolled with a fungicide spray, but that in itself rules the pota-toes out from acceptance by

toes out from acceptance by some buyers.

At GNI Commodities Mr John Adcroft explained that crops had looked good in early season and the Potato Marketing Board had hought supplies off the market to support prices. But when physical tendering against the April delivery contract began on Monday offerings were much lower than had been expected, and a high level of rejections sent the shorts scurrying for cover.

A trader at Cardil said only 16 lots (40 tonnes each) had

18 lots (40 tonnes each) had been tendered against April futures and five or six of those had falled inspection by the Ministry of Agriculture's Agricultural Davelopment and Advisory Service.

Peruvian mining group estimates guerrilla cost

LEFTIST GUERRILLA attacks have cost the Peruvian state mining giant Centromin at least \$35m since 1981, accord-ing to the energy and mines minister, Renter reports from

Mir Jose Carrasco Tavara said that guerrilla assaults had cost Centromin \$12m in dam-aged and stolen equipment this

year alone.

In one of the biggest acts of sabotage ever on a Centromin mine, Maoist Sendero Luminoso (Shining Path) rebels wrecked installations and dilied five reckled. killed live people in an attack on the Yauricoc silver mine on March 23. The attack followed guerrilla strikes on two private mines in the previous four weeks. Centromin was the country's

largest mining concern by income in 1987 with earnings at about 9on intis, the authoritative Peru Report said.

Ontario will not oppose gas exports

By Robert Gibbens in Montreal

ONTARIO WILL not oppose plans by three major oil companies to export nearly 10 trillion (million million) cubic feet of natural gas over 20 years to US utilities from the Mackenzie Dalta, North West Territory, about 2,000 miles north of Calcary.

Calgary.
The exports represent about 10 per cent of Canada's present proven gas reserves and Ontario previonsly had expressed reservations because it was worried about future domestic supplies and prices.
Ontario is Canada'o most
populous province and the

THE PALLADIUM price soared again yesterday. It was fixed in

London at \$166.25 a troy ounce, up \$7.75 from Wednesday and its highest level since Decem-

Dealers said the precious

metal had attracted speculative buying on both sides of the

Atlantic after recent reports that palladium had been used

in experiments attempting to produce energy from nuclear fusion at room temperature.

The price surge – from an average \$124.52 an ounce last year – is not surprising considering pulledium is the most

sidering palladium is the most illiquid, thinly traded precious

By Kenneth Gooding, Mining Correspondent

the gas. Three other groups are contending to build the pipeline from the Mackenzie Delta and this would be subject to another NEB hearing.

Several environmental groups will oppose the gas exports at hearings beginning in Ottawa next week but opposition to development of the sition to development of the Delta gas fields and a pipeline

metal, according to Mr Jeffrey

Nichols, managing director of the New York-based American

Precious Metals Advisors con-

sultancy organisation. It is also "one which enjoys much more bullish fundamentals than gold, silver, or platinum."

He suggests the key feature of the palladium market in process here here a possion

recent years has been a persis-tent deficit of supply to indus-trial requirements — the big-gest user is the electronics industry which consumed

nearly 2m ounces last year.
The cumulative deficit for the past seven years, including 1988, totalled 860,000 ounces,

Palladium price soars to 6-year peak

groups has declined over the past 12 years. In the mid-1970s, the Faderal Government ordered a moratorium on a Mackenzie Valley pipeline for 10 years. Ontario now feels most of its

Ontario now feels most of its concerns have been met and development of the Mackenzie. Delta reserves, found in the aarly 1970s, is in Canada's long-term interest.
Ontario will attend next week's NEB hearings and will ask detailed questions. But it will not oppose the project.

project.

according to APMA, and by the end of this year will reach

Mr Nichols predicts total pal-

ladium supply this year will be about 3.68m ounces (up from 3.515m in 1988) while industrial

demand will account for 3.85m

about 1m ounces.

Ford recently revealed it was testing a non-platinum catalyst to remove emissions from car exhausts. It was widely assumed palladium was used.

ounces (3.74m).
He says that palladium's price has not moved up until recently because of huge stocks, probably over 2m ounces at the peak, built up by

speculators and investors in the 1970s and early 1980s.

Apart from the long-term implications of the nuclear fusion experiments, interest in ounces.

instead:

However, Mr Nichols points out that supplies of palladium are relatively inelastic because it is mined principally as a by-product of platinum. The major suppliers are the Soviet Union, which sold about 1.55m ounces to the west lest war.

Wide differences remain at coffee talks

By David Blackwell

THE GULF between producer and consumer sides at the International Coffee Organisation appears to be getting no narrower as the first week of talks on the international agreement draws to a close. Yesterday morning the con-German and Dutch proposal

for a universal quota, which would control all coffee exports

to buyers both inside and out-But immediately afterwards the Brazilian delegation said that all producers were fully agreed that the universal quota

was not a solution to the agree-ment's major problem - the two-tier market. This has par-ticularly upset the US, the world's biggest consumer, and the European Community, who have become increasingly angry that countries outside the agreement have been pay-ing up to 50 per cent less than ICO members for their coffee. The producers themselves, however, have been unable to

come up with a common stance The Brazilians and Colombians want the current agreement, which runs out in Sep-temher, to be more or less continued as it is, with stiffer

The so-called other milds group, which comprises mainly the Central American producers of top-quality arabica cof-fee, want a once-and-for-all reform of the system which would allot bigger export quo-

tas to the arabica producers at the expense of the less-favoured robustas. The new quotas would be based on market share, rather than on historical grounds as now. Bnt Brazil, the world's biggest producer, objects to this as to any plan which would reduce its export

controls and penalties for under-price shipments to non-member countries. quota.

The African producers, mainly of robustas, are still drawing up their proposal. But they are understood to be looking at a way of allocating a universal quota in such a way as to avoid producers who have until now been forced to ket taking a larger quotas and selling into the member mar-ket. In other words, an arabica producer now selling to non-members would sell his top quality coffee to an ICO mem-

ber, displacing the leoc-fa-voured robusta exporter from the member market.

LONDON MARKETS

COCOA PRICES continued contract closing down £19 at £780 e October. The bearish fundamental situation — world supplies are way above demand for the lifth year running - appears to have taken a firm grip of the market, which came selling and long liquidation. New York sentiment in the absence of any supporting factors. Dealars said tha next major downsida largat would be £750 a tonna. On the LME copper and nickel prices wera list, while zinc wen into reverse after the gains of the pravious two days. A morning attempt to continuo the rally met trada selling and prolit-taking. Traders said tha market was still aftempting to etablilate after the past month's sharp losses.

SPOT MARKETS		_
Crude ell (per barrel FOB)		+ or -
Dubal Grent Gland W.T.I 1 pm esQ	\$15.80-5.95; \$19.20-6.30; \$19.80-9.85;	-0.45
Oli products NWE prompt delivery per t	onne CIF)	+ ar -
Promium Gasoline Ges Oil Heavy Fuel Oil Naphiha Potroleum Argus Estimates	\$262-267 5155-157 \$88-89 \$174-175	-2.5 -7 -5.5 -4.5
Other		+ gr -
Gold (per tray az)	\$384.5 582c	+ 1.25
Platinum [per troy oz] Patiodium (per troy oz)	\$527.75 \$166.25	+5.85
Aluminium (froe market) Copper (US Producer) Lead (US Producer)	\$2035 1335 ₈ -138c 37.5c	•
Nickel (free market) Tin (European free market) Tin (Kuefa Lumpur market) Tin (New York) Zinc (US Prime Western)	59565 26.18r 439.5c 603a0	-5 + 30 + 0.10 + 0.20
Caste (live weight)1 Sheep (dead weight)† Pigs (live weight)†	123.04p 242.22p 63.40p	+ 9.57° + 16.6° -0.04°
London delly sugar (raw) London delly sugar (white) Tote and Lyte export price	\$307.8v \$331.0v \$290.5	+5.4 +3.0 +3.0
Barley (English feed) Maize (US No. 3 yellow) Wheat (US Oark Northern)	C110 £133.5 £125.75v	-0.25
Rubber (spot) ♥ Rubber (May) ♥ Rubber (Jun) ♥ Rubber (KL RSS No 1 May)	59.25p 67.75p 68.00p 299.6m	+0.25 +0.25 +0.25 +2.5
Cocorut oii (Philippinesis Poim Oii (Malaysianis Copra (Philippinesis Soyabeans (US) Cotton "A" Index	\$536v \$380x \$350 \$195x 72,15e	+0.70

Vooltops (64s Super)

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Sep	795	814	6 10 791
Dec	826	845	838 822
Mar	612	834	827 811
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Sop	1050	1065	1063 1052
Nov	1044	1052	1050 1043
Jan	1043	1050	1048 1040
Mar	1040	1045	1048 1045
May	1042	1048	1048
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SUGA	A (S per to	uve)	
Rany	Close	Previous	HIgh/Low
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Aug	274.60	268.60	270.00 270.00
Oct	271.00	257.20	273.60 268.40
Dec	288.00	266.00	264.00
Mar	261.00	259.00	260.00 259.20
May	258.00	256.00	258.00
White	-	Previous	High/Low
	Close		

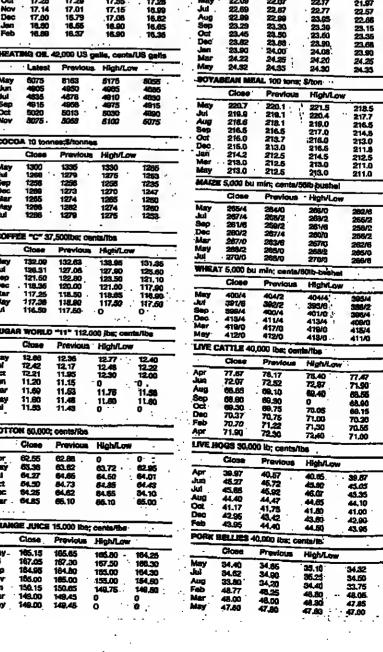
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May 258.00 258.00 259.20 259.20 259.00 259.20 259.0	May 258.00 258.00 259.20 259.20 259.20 258.00 258.00 259.20 259.0	May 258.00 258.00 259.20 259.20 259.20 258.00 258.00 259.20 259.0	Mar May May May Jet May May May May May May May May May May	261.00 258.00 336.00 332.00 321.00 308.00	259.00 256.00 Previous 326.50 323.60	260.00 259.2 258.00 High/Low 335.00 328.0
May 258.00 256.00 258.00 White Close Previous High/Low May 335.00 328.50 335.00 328.00 323.50 328.50 331.00 328.00 324.00 319.00 306.50 May 306.00 298.00 306.55 304.00 Munover: Raw 7185 (8331) lots of 50 ton White 3640 (1619).	May 258.00 256.00 258.00 White Close Previous High/Low May 335.00 328.50 335.00 328.00 323.50 328.50 331.00 328.00 324.00 319.00 306.50 May 306.00 298.00 306.55 304.00 Munover: Raw 7185 (8331) lots of 50 ton White 3640 (1619).	May 258.00 256.00 258.00 White Close Previous High/Low May 335.00 328.50 335.00 328.00 323.50 328.50 331.00 328.00 324.00 319.00 306.50 May 306.00 298.00 306.55 304.00 Munover: Raw 7185 (8331) lots of 50 ton White 3640 (1619).	May May May May May Mar Mar May May May Mug Munover: White 384	258.00 3 Crose 1 335.00 3 332.00 3 321.00 3 508.00 3	256.00 Previous 326.50 323.50	258.00 High/Low 335.00 328.0
Milie Crose Previous High/Low May 335.00 328.50 335.00 328.00 Aug 332.00 323.50 311.00 325.00 Oct 321.00 313.00 320.00 316.00 May 306.00 313.00 320.00 316.00 Aug 307.00 306.50 305.50 305.00 Aug 307.00 306.00 306.00 Aug 307.00 306.00 Aug 306.00 406.00 Aug 306.00	Milie Crose Previous High/Low May 335.00 328.50 335.00 328.00 Aug 332.00 323.50 311.00 325.00 Oct 321.00 313.00 320.00 316.00 May 306.00 313.00 320.00 316.00 Aug 307.00 306.50 305.50 305.00 Aug 307.00 306.00 306.00 Aug 307.00 306.00 Aug 306.00 406.00 Aug 306.00	Milie Crose Previous High/Low May 335.00 328.50 335.00 328.00 Aug 332.00 323.50 311.00 325.00 Oct 321.00 313.00 320.00 316.00 May 306.00 313.00 320.00 316.00 Aug 307.00 306.50 305.50 305.00 Aug 307.00 306.00 306.00 Aug 307.00 306.00 Aug 306.00 406.00 Aug 306.00	Vicine Vi	Close 335.00 332.00 321.00 306.	revious 326.50 323.50	High/Low 335.00 328.
May 336.00 328.50 335.00 328.00 328.00 328.00 328.00 328.00 311.00 325.00 326.00 318.00 320.00 318.00 320.00 318.00 305.50 305.50 305.00 307.0	May 336.00 328.50 335.00 328.00 328.00 328.00 328.00 328.00 311.00 325.00 326.00 318.00 320.00 318.00 320.00 318.00 305.50 305.50 305.00 307.0	May 336.00 328.50 335.00 328.00 328.00 328.00 328.00 328.00 311.00 325.00 326.00 318.00 320.00 318.00 320.00 318.00 305.50 305.50 305.00 307.0	May Aug Oct May May Mug Turnover: Vhite 364	335,00 332,00 321,00 508.00 306.00	326.50 323.50	335.00 328.
Nug 332.00 323.50 331.00 325.00 Oct 321.00 313.00 320.00 316.00 Ner 906.00 308.50 306.50 306.50 Nug 306.00 299.00 305.50 304.00 Numover: Raw 7185 (8331) lots of 50 ter White 3640 (1619). Parls- White (FFr per tonne): May 2085,	Nug 332.00 323.50 331.00 325.00 Oct 321.00 313.00 320.00 316.00 Ner 906.00 308.50 306.50 306.50 Nug 306.00 299.00 305.50 304.00 Numover: Raw 7185 (8331) lots of 50 ter White 3640 (1619). Parls- White (FFr per tonne): May 2085,	Nug 332.00 323.50 331.00 325.00 Oct 321.00 313.00 320.00 316.00 Ner 906.00 308.50 306.50 306.50 Nug 306.00 299.00 305.50 304.00 Numover: Raw 7185 (8331) lots of 50 ter White 3640 (1619). Parls- White (FFr per tonne): May 2085,	Aug Oct Var Aay Vurnover: Vhite 364	332.00 321.00 308.00 308.00	23,50	
Oct 321.00 313.00 320.00 316.00 306.00 306.00 306.00 306.00 306.50 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 400 400 400 400 400 400 400 40	Oct 321.00 313.00 320.00 316.00 306.00 306.00 306.00 306.00 306.50 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 400 400 400 400 400 400 400 40	Oct 321.00 313.00 320.00 316.00 306.00 306.00 306.00 306.00 306.50 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 307.00 304.00 400 400 400 400 400 400 400 400 40	Oct Mar May Mug Turnover: White 364	321,00 308.00 308.00		
Mary 506.00 306.50 305.50 305.00 Aby 306.00 299.00 305.50 304.00 307.00 307.00 304.00 Aby 206.00 Ab	Mary 506.00 306.50 305.50 305.00 Aby 306.00 299.00 305.50 304.00 307.00 307.00 304.00 Aby 206.00 Ab	Mary 506.00 306.50 305.50 305.00 Aby 306.00 299.00 305.50 304.00 307.00 307.00 304.00 Aby 206.00 Ab	ter tay tug urnover: Vhite 364	508.00 308.00	410.00	
May 306.00 299.00 305.50 304.00 107.00 304.0	May 306.00 299.00 305.50 304.00 107.00 304.0	May 306.00 299.00 305.50 304.00 107.00 304.0	Aay lug lumover: Vhite 364	306.00		
Turnover: Raw 7185 (8331) lots of 50 tor White 3640 (1619). Parls- White (FFr per torme): May 2085,	Turnover: Raw 7185 (8331) lots of 50 tor White 3640 (1619). Parls- White (FFr per tonne): May 2085,	Turnover: Raw 7185 (8331) lots of 50 tor White 3640 (1619). Parls- White (FFr per torme): May 2085,	Turnover: White 364	307.00	290.00	
White 3640 (1619). Paris- White (FFr per tonne): May 2085,	White 3640 (1619). Paris- White (FFr per tonne): May 2085,	White 3640 (1619). Paris- White (FFr per tonne): May 2085,	Vhite 364			304.00

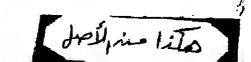
	-01711	
		-
UGAR (S per tonne)	Apr	
ow Close Previous High/Low	May	
	Nov Apr	
lay 279.00 272.40 281.00 273.00 ug 274.60 268.60 270.00 270.00		
ug 274.60 268.60 270.00 270.00 ct 271.00 267.20 273.60 268.40	Turnovi	r
ec 288.00 266.00 264.00		
er 261.00 259.00 260.00 259.20	SOYABI	EΑ
Ay 258.00 256.00 258.00		7
hite Close Previous High/Low	Jun	-
ay 335.00 326.50 335.00 328.00	Aug	
ug 332.00 323.50 331.00 325.00	Oct	_1
ct 321.00 313.00 320.00 316.00	Turnove	ır
er 505.00 305.50 305.00 ay 305.00 299.00 305.50 304.00		
ay 306.00 298.00 305.50 304.00 ug 307.00 304.00	FREIGH	Ŧ
rnover: Raw 7185 (8331) lots of 50 tonnes.		7
hite 3640 (t619).		_
arls- White (FFr per tonne): May 2085, Aug	Apr	1
380, Oct 1990, Dec 1930, Mar 1910, May 1900.	Many	- 3
	Oct	í
	Jan	i
	Apr	i
	BFI	i
	Turnove	-
	1411046	
	GRAINS	ŝ
RUIT AND VEGETABLES	Wheat	_
HE FIRST now seesons New Zeeland Cox's tre now in the shops at 50-50p at ib, reports		_
FVIB. Other new arrivals Include Chilean	May	1
Iranny Smiths 35-45p and American	Jun	1
linneolas at 15-25p each. Grapefruit are	Sep Nov	1
own to 10-25p 15-25p) and bananas are	Jan	1
bundant, 40-54p (40-55p), Spania	Mar	i
trawberries are also extremely plentiful,	ang:	•
0-80p a half pound (50-85p). Californian		
sparagus is now in the shops at £2.00-3.00,	Berley	C
s ara Chilean onions 30-38p. Courgettes re still in good supply, 50-75p, as are	May	1
otatoes, 9-16p. English, Dutch, Jersey and	Sep	2
uernsey iomatoes are more plentiful as	Nov	1
to season gets under way 900-£1,30	Jan	1
		1
	Mar	•
70p-£1.40) and the first Webb's lettuce are leg available 25-35p, logether with Dutch		_
(Op-£1.40) and the first Webb's lettuce are	Turnove Turnove	r. '

LONDON	METAL, IDEC	HANGE	(Pri	ces aupplied t	y Amalgamate	d Metal Trading
	Close	Previous	High/Low	AM Official	Kerb close	Open Interest
Atuminium	, 99.7% purit	y (S per tonne)			Ring turns	over 20,875 tonne
Cash 3 months	2050-60 2025-30	2035-40 2008-10	2035 2025/2000	2035-8 2008-10	2025-30	29,420 lots
Copper, G	red 2) A eber	tonnej			Ring turns	wer 38,450 tonne
Cash 3 months	1805-8 1699-700	1803-8 1697-8	1911/1808 1704/1690	1610-1 1701-2	1690-2	70,390 loss
Silver (US	cents/fine ou	nce)			AJ:	g turnover 0 oza
Cash 30 June	578-80 591-2	578-81 592-6		676-8 691-2		353 lots
Leed £ pe	r tonnej				Ring turno	wer 12,350 tonne
Cash 3 months	342.5-3.6 351.5-2	341-2 351-2	342/341 352/351	341.5-2 361.5-2	351.5-2	9,533 lots
Nickel (\$ p	er tonne)				Ring turn	over 1,716 tonne
Gash 3 months	15450-500 15100-200	15450-\$00 15200-\$0	15450/15400 15200/15000	15350-400 14950-5000	15175-200	7,201 lots
Zine, Spec	tal High Grad	e (S per tonna)			Ring turns	wer 10,800 tonhe
Gash 3 months	1685-90 1662-5	1720-1 1688-90	1690/1675 1665/1658	1680-5 1658-60	1680-70	8,339 lots
Zinc (\$ per	tonne)				Ring turno	ver 18,050 tonne
Cash 3 months	1650-6 1612-5	1875-83 1840-5	1635/1605	1645-50 1605-7	1610-5	12,752 lots

TAT	OES C/tor	IRe		LONDON	BULL	ION MARI	CET C
	Close	Previous	High/Low	Gold (fine	oz) S	price	£ equivalent
	99.5	82.0	100.0 85.0	Close	38	414-38414	22612-226
,	125.0	106.5	120.0 110.0	Opening		312-384	22512-226
,	20.0		89.0 87.5	Morning fi		4.20	225.887
	133.5	132.0	134.0 132.5	Atternoon			225,624
novi	er 1258 (7	708) lots of	40 tonnes.	Day's low		41 ₂ -385 31 ₂ -384	
/AB	EAN MEA	L C/tonne		Coles	s	price	£ equivalent
	Close	Previous	High/Low	Maptelesi	36	5-400	23112-23412
	150.00	151.00	151.20 150.00	Britannia	39	5-400	231 2-234 2
1	147.00	147.50	147.00	US Eagla		5-400	231 2-234 2
	147.00	147.86	147.00	Angel		5-400	23112-23412
	220 14	O)lots of 20	1 100000	 Krugerren 		4-387	225-227
IOV	ar 230 (40		INITIALS.	New Sov.		2-012	53-53-4
				Old Sov.	90	12-8112	53-53-4
IGH	T FUTUR	ES \$10/Inde	x point	Noble Plat	62	5,60-534.50	309.10-314.30
	Close	Previous	High/Low	Silver 12	p/1	ine oz	US ets equiv
	1620	1010	1625 1608	Spot	34	1.50	581.00
,	1573	1564	1580 1580	6 months		2.60	595.60
	1969	1357	1390 1357	6 months		3.65	611.00
	1480	1460	1480 1460	12 months		1.85	644.05
	1520	1520	1520 1500		-		•
	1562	1558	1562				
	1620	1621	1620	CRUDE OF	L S/hai	Tel	
lov:	r 427 (43	a)			Clos		us High/Low
_				May	18.40		78.65 15.29
UN S	L'honne			- Jun	17.87		17.85 17.58
æt	Close	Previous	Mahu		17.10		17.17 16.95
	ALDRES.	PTEVIOUS	High/Low_	_ Aug	18.60		18.60
	120.40	110.00	120.50 120.00	= Aug IPE index	18.79		10.00
	121.65	121.40	121.85 121.68				
	104.50	104.50	104.55 104.50	Turnover:	807Q ((3005)	
	106.80	108.80	109.80		-	-	
	109.80	109.85	109.80	GAS OF S	Man		
	112.80	112.85	112.80	Gra OF 2			
				c	1084	Previous	Hagh/Low
87	Close	Previous	High/Low		53.00	158.00	156.00 153.00
_	111.45	111.35	111.75 111.45		48.00	152.75	150.50 147.50
	101.50	101.30	101.60		48.00	149.50	148.00 145.50
					6.00	149.00	148.00 145.00
	104.50	104.35	104,00		45.75	149.00	147.50 145.00
	107.50	107.45	107.50		18.75		148.75 147 <u>.2</u> 6
	110.55	110.40	110.66		50.00	150.00	150.00 148.00
	100-00	366 //74\ I	January AF 401	Dec 14	9.50	156.00	149.50

W	ORLD (COMM	ODITIES PR	ICE	5													
	Prices supplie	ed by Amaiga	smated Metal Trading)	U	S M	ARK	ETS		CO	PPER 25,0	00 lbs; cs	nts/lbs	-	CI	ricas	10		
h/Low	AM Office	al Kerb d	ose Open Interest	151						Close	Previo	ve High/I	Low .	·				
_		Ring	turnover 20,875 tonne					markets Iday'a US	Ap					- SOYA		,000 by min;	oemen/60k	Dus!
	2035-8					nent nur			Ma Jur				129.50	·	· Close	Previous	rhgh/L,	JW.
5/2000	2008-10	2025-30	29,420 lots			mham La			Jul	122.8	122.00	123.60	122.50	-May	714/0	716/0	718/0	7
		Aling	turnover 38,450 tonne			firm on			Sep					. Aug	.726/6_	724/0 721/4	727/6	3
1/1806	1610-1							ght trade				_		Sep	717/2	712/0	.718/0	7
4/1690	1701-2	1690-2	70,390 lots			e soft ma		ocoa future:	CRI	DOE OIL (Jght) 42,00	00·US galis	\$/barrel ··	- Nov	717/0 725/6	711/4	718/0	7
			Aling turnover 0 ozs			ell over 3				Letes	Previo	us High/L	CW		735/0	780/0	T36/0	,
	676-8 691-2		353 lots					was seen	Mar	19.67	19.99	20.02	19.58	_ May	740/0	738/0	740/0	7
	091-2		turnover 12,350 tonne			the sess			Jun Aug		19.17 18.01	19.17	18.60 17.83	- SOAY	BEAN OF			
M 44	244 5.0	Hing	turnover 12,300 some			to close		d as prices Cotton	Sec	17.60	17.61	17,75	17.60	·	Close	Previous	High/L	
/341 /351	341.5-2 361.5-2	351.5-2	9.533 lots			giving b			Oct		17.29 17.01	17.55 17.15	. 17.26 18.99	May Jul	22.09	22.07 22.87	22.17	2
			turnover 1,716 tonne	mai	de earli	er in the	week. C	commission	Dec	17.00	16.79	.17,08	16.82	_ Aug	22.09	22.99	. 23.05	2
50/1540	0 15350-400		,					weakness.	Jan	18.80	16.55	16.90 16.90	16.65	Sep	23.29	23.30 23.50	23.30	2
00/1500			00 7,201 lots			ressive i		lower as			IGGS	10.30	. 10.30	Dec.	23.82	23.88	23.50	2
		Ring	turnover 10,800 tonne			eak in th			HEA	THO OH	42,000 US	galis, cents	/US galls	- Jan Mar	24.22	24.00	24.08	2
1/1675	1680-5					s were a				Latest	Previou			May	24.32	24.25 24.35	24.20 24.30	2
5/1658	1658-60	1660-70	8,339 lots			ne exces			May	5075	8163	5175	5055 .	BOYA	BEAN N	AL 100 tons;		
		Ring	turnover 18,050 tonne					Increased	Jun	4905	4950	4985	4885		Close	Previous	High/Lo	
	1645-50		40.700			nd light (emand ,	Jul Sep	4835	4878 4958	4910 4975	4830 4915	May	220.7	220.1	221.5	<u> </u>
5/1605	1605-7	1610-5	12,752 lots					ther meats.	Oct	5020	5013	5030	4990 -	- Jul	219.9	219.1	220.4	2
				in t	ne grain	market	very si	OW	Nov	8075 -	5068	5100	5075	- Aug Sep	218.6 216.5	218.1 216.5	219.0	2
						om lack o			C0C	DA 10 tone	-	-		Oct	216.0	213.7	217.0 ;216.0	2
						n made i		ures close	. ===	Close	Previou			Dec Jan	215.0 214.2	213.0	216.5	2
- 1	LONDON BU	LLION MARI	CET*					May, on	May	1300	1336	1330		Mer	213.0	212.5 212.5	214.5 213.0	2
- ;	Gold (fine oz)	S price	£ equivalent			nder bus			ألعال	1268	· 1279 ·	1275	1285 1263	May	213.0	212.5	213.0	2
- 7	Close	38414-38414	22612-226	Na	w l	fork			Sep	1258 1269	1256	1255 1270	7235 1247	MAIZE	5,000 bu	min; cents/5	Stb (bushe	
	Opening	38312-384	2251 ₂ -226 225,867		,	UIR			Mar	1265	1274	1265	1250		Close	Previous	- High/Lo	_
		384.20 384.38	225.624	GOL	0 100 troy	/ CZ; \$/troj	/ OZ.		May	1266	1282 1279	1274 1275	1260	May Jul	265/4	284/0	205/0	2
- :	Day's high	384 2-385			Close	Previou	# High/L	<i>-</i>	,	1200			1436	Sep.	267/4 261/6	259/2	263/2 261/6	2
•	Day's low	38312-384		Apr	384.0	383.6	385.2	383.7	COFF	TE "C" 37	.500tber o	ents/fbs		Dec Mar	280/2	257/4	26070	2
_ ;	Coles	S price	£ equivalent	May	385.7 388.7	385.6	0 389.6	. 0	-	Close	Previous			May	267/0 268/2	263/6 265/0	267/0 268/2	20
- i		365-400	23112-23412	Aug	393.8	393.7	395.0	388.6 393.6	May	132.00	132.63	133.95	131,35	Jul	· 270/0	265/0	270/0	20
- :		395-400	231 2-234 2	Oct Dec	300.5 405.2	399.4 405.1	400.8 405.1	400.5 405.0	Jul	126.31	127.08	127.90	125.60	WHEAT	7 5,000 bi	min; cents/6	Olb-bush	-
	Angel	395-400 395-400	231 12-234 12 231 12-234 12	Feb	410.8	410.7	0	0	Sep Dec	121.60 . 118.36	122,80	123.50 121.00	121, 10 117,90		Close	Previous	High/Lo	w .
- 1	Krugerrand	384-387	225-227	Apr	416.6	416.5	0	0.	Mar	117.25	118.50	118.65	116.90	May	400/4	404/2	404/4	3
	New Sov. Did Sov.	90½-91½ 90½-81½	53-53 ¹ 4 53-53 ¹ 4	_		tray áz; \$/t			May Jul	117,38	118 .90 117.50	117,50 · O	117.50	Sep .	391/6 399/4	392/2 ·	393/6	38
- ,	Noble Plat	625,60-534.50	309.10-314.30		Close	Previous						· ** **.		Dec	413/4	411/4	401/0 .1	36 40
- ;	Silver Ex	p/fine oz	US ats equiv	Apr	523.7	523.9	529.5	522.5	SUGA	R WORLD	411° 112.	000 /bs; cer	rts/lbg	May	412/0 412/0	417/0 412/0	419/0 418/0	41
				May	523.7	524,4	0	0		Close	Previous	· High/Lov	-	LIVE C		,000 lbs: cent		
		341.50 362.60	581.00 595.60	Jul [*] Oct	524.2 525.7	525.4	630.0	523.6	May	12.66	12.36	12.77	12.40		Close	Previous		
€	months :	363.65	611.00	Jan	527.7	526.S 526.9	527.0 0	25870	dul Oct	12.42 12.21	12,17 11,95	12.48	12.22	Apr	77,57		High/Los	
	2 months	385.85	644.05	Apr -	530.2	531.4	530.0	530.0 ·	Jen	11.20	11.15	12.30	12.00	Jug	72.07	78.17 72.52	75.40 72.87	. 71
				SILVE	9 0,000 PE	ray ez; cen	hts/tray cz.		Mar	17.60	11.53	11.78	11.58	Aug	68.68	- 69.10	60.40	68
- 5	PRUDE OIL \$/	barret		_	Close	Previous	High/Lo	W.	May Jul	11.60 11.53	11.48	11.60	11.60 0	Sep	68.80	69,30 69.75	70.05	68
	a	lose Provk	High/Low	Apr	580.0	580.1	<u> </u>	0	-			· .	· :	Dec	70.37	70.75	71.00	70
		43 15.90	18.85 18.29	May	583.3	561.8	586.5	583.0	COTT	ON 50,000;	cents/lbs			Feb Apr	70 <i>.70</i> 71.90	71,22 72,30	71,30	70
		7.87 18.15 7.10 17.62	17.85 17.58 17.17 16.96	Jul Jul	568.7 594.1	589.2 594.6	0 597.0 ·	0 594.0 -		Close	Previous	High/Los				00 lb; cents/lb	72,40	71
_ ^	lug 16	L8G 17.48	16.60	Sep	605.0	605.5	609.0	605.0	Apr	62.55	62.88 .		0 -				8 .	
_		1.79 19.05		Dec	620.8 625.9	621.3 628.4	624.0	623.0	May	63.36	63.52	0 63.72	62.96	··	Close		High/Lov	,
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N	lov 150.0	150.00	150.00 148.00	DOM	JONES (Base: Dec.	31 1974 -	100)	Sep Nov		164.80 165.00	155.00	164,30	Jul	34.62	34.90 .	35.10 35.25	*34. 34.
_	ec 149.5		149.50	Spot	134,48		137.81	130.58	Jan		150.65	155.00 149.75	154,50 ⁻ 148,50 ;	. Feb	33.80 48.77	34,20	34.40	23.
7	umover 9806	(8430) lots o	100 tonnes	Future	os. 138,28	135.34	141.81	133.96	Mar		149,45	0	0	Mar	48.00	48.50	48.80 -	48.





LONDON STOCK EXCHANGE

Too many negative factors in equities

Sentiment in London's equity markets, unsettled on Wednesday by an overall lack of enthusiasm and hy worries about the trade deficit, infla-tion and the absence of an expected boost from institutions as the new UK tax year got underway, took another and more substantial knock

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A number of factors prompted the latest decline. Firstly, there were programme the sall side; secondly, and much more important, a bear-ish note on the UK economy and the stock market cams from UBS Phillips and Drew, the securities house; thirdly,

Account Dealing Dates Apr 3 Apr 14 May 15 Their time dealings may take place from 9.00 mm into business days earlier

there was the downward trend in the American and Japanese The FT-SE 100-share index opened with a fractional gain of 0.3 but it quickly retreated

under growing selling pressure to close a net 25.7 off at 2,052.5. Dealers said the market had opened on a relatively steady

aged, has raised its estimate for 1969 profits from £580m to

note, and with very little pres-sure during early business. But the impact of some sustained side". "The big trade selling, coupled with the disappointing opening trend on Wall Street and the worrying note from UBS Phillips and Drew, comselling became obvious later when share prices began slidmg in active trading.

A number of programme bined to leave the market reel-

trades were in operation, with traders noting above average activity by at least three top securities houses, Smith New Court, BZW and UBS Phillips & Drew, as well as some aggressive trading by Security Pacific Hoare Govett and County NatWest.

A broker with one of the leading US investment houses estimated that the overall bias

Landing headline was hadly received in the market. UBS's economics team said: "We have shifted our recommendation on the British economy from hold to 'sell'. We now see it "hold" to "sell". We now see it drifting into a period of stagila-tion." UBS says GDP growth ex-oil will slide from 3% per cent this year to 1% per cent next year and that inflation will stick at 8 per cent during 1990 after a peak 8 per centof the programme trades was "getting on for £70m on the sell

ahare of the power generation market and from rising oil and

Among hasily traded insur-ers the Life group London & Manchester fell 4 to 276p after

announcing a 21 per cent increase in after tax profits to

£14.6m. Although the figures were alightly better than expected, dealers warned that

the group's exposure to the UK housing market through its

mortgage lending and estate

agency business could threaten

Prudential were particularly

active. A big seller of the stock was sighted by traders late on

Wednesday, and with good

two-way business throughout the session yesterday the stock

finished 3% weaker at 182%p on turnover of 7.6m shares.

Potential buyers of Tarmac withdrew rather quickly late in

the session on fears that a line of stock could be overhanging

the market. Their concern

stemmed from a marketma-

ker's earlier purchase of 2m

shares via one of the day's pro-

gramme trades. We see no evidence that he's managed to

place them," said a specialist salesman, "and until we do, buyers are likely to stand off." After showing initial resis-tance to the wider market mal-

aise, Tarmac shares weakened abruptly to close 12 down at

The general mood of uncer-tainty was partly responsible for a downturn in Ibstock

voice worries about the group's

US exposure, despite yester-

day's sharply increased annual profits. The shares lost 5 to

163p. Profit-taking after Wednesday's hnoyant figures took a further toll on British

Dredging and the close was a caster at 157p. A report that the proposed management

buy-out is threatened by a dis-

pute over the terms offered to

Electricals were weak across the board. There's no need to

rush in and buy this sector, so

no one is," said a specialist salesman. Racal, 7 off at 381p,

and Cable and Wireless, down 17 at 465p, were the worst hit. Food stocks attracted consid-

erable interest during the

saw Magnet ease 300p.

n, although analysts did

3040 in volume of 6.5m.

electricity prices.

future earnings.

The UBS note and its "Hard

Worries about inflation was a theme also taken up yesterday hy Kleinwort Benson in their UK Action Weekly. The securities house says "since the Easter break our economists have become more bearish on domestic inflation – the odds on a hika – though still less than evens – are now higher than they were when Mr Lawson presented his bud-

The overall picture tended to erlipse some big developments yesterday among individual stocks, notably Hillsdown, where Mr David Thompson's near-15 per cent stake was placed in the market.

quantified, Gas is now set for a period of ontperformance. Operationally it will benefit from growing environmental concerns which will boost gas's where of the power generation. Hoare Govett is a fan of Northern Foods; the shares have been oversold and now that the listeria/salmonella ecare looks over they are worth huying, said Hoare. Snpermarket group, Gate-

way, afforded the rare sight of a gain; the shares adding 1 % at 172p as 6.3m changed hands on continued speculation of imminent corporate activity.

early strength of BAA, which took the price up 10. The usual mix of property valuation and Japanese bnying speculation was bolstered by a story that Cazenove had visited the company during the morning, the broking house would not confirm market gossip that it intended to raise it's forecast for the current year profits by £20m. By the close the stock had settled back to 358p, a rise of 5 on the day.

A disappointing property revaluation in AB Ports full-year figures depressed the price by about 20 in early trading. It recovered on the news that the Government was abolishing the national Dock Labour Scheme, and the stock closed at 552p, a net fall of 8. Mr Alan Kelsey, head of research at Kitcat & Aitken, explained that the abolition of the scheme would give AB Ports immediate savings of £5m-£10m a year, rising to £20m in two years time. "It may also encourage switching of investment and traffic to UK ports from Europe." The main obstacle was whether there would be a national dock strike but that "the cost of holding out would be trivial against the gains to be made," he said.

The stream of profits warnings continued with Reed Executive. The board said the current year would produce lower

FINANCIAL TIMES STOCK INDICES High 31 89.29 (8/2) 86.54 (6/4) 127.4 (9/1/35) Government Secs 86,70 86.81 97.10 97,30 (3/1/75) (15/3) 1706.5 1707.9 1447.8 (3/1) 1708.4 1761.1 (16/7/87) (28/6/40) 154.7 734.7 43.5 (17/2) (15/2/83) (26/10/71) (28/3)Ord. DI. Yield Earning Yid %(tull) P/E Ratio(Net)(x) SEAO Bargeins(Spm) Equity Turnover(Em)† Equity Bargains† Shares Traced (mi)† • S.E. ACTIVITY 11.08 35,919 Gitt Edged Bargains 109.1 102.5 1277.70 52,224 507.8 1095.00 45,030 524.7 1113 93 Equity Bargains
Equity Value
5—Day average
Git Edged Bargu 105.2 298.1 2503.1 Opening 010 am 011 am 012 pm 01 pm 02 pm 03 pm 04 pm 1706.2 1696.4 1694.4 1691.0 1692.7 1693.1 1690.2 1684.4 DAY'S LOW 1683.8 DAY'S HIGH 1706.2 Basis 100 Govt. Secs 15/10/26. Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974, thill 10.85 fExcluding intra-marke business. * Corrected figure.

TRADING VOLUME IN MAJOR STOCKS

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Brit. & Comm. Brit. Assassace British Airmans	2.300 1.200	207 558	-13	GAE	1,760 959 6,560	208 354 432	-3	Pleney Polly Peck lad.	1,005	2431-	44	Tarmac 7-tor & Lyle Tartor Wester	6,500 578	35403354	12
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Cons. Gold Fields	1,200	1370	45	Land Sacarities	191	545	٦	Rockman	40	捌	4	,	-	2,00	

figures than 1988 and the stock 40%p.

dived 36 to 92p.

Income fund managers bought heavily into British Steel in anticipation of the dividend due in about 9 weeks. They are looking for around 5p seen as good value for the temporary ownership of an 80p-odd stock with little downside. The shares were 2 better

at 83p and 83m changed hands. Maxwell Communication made little response to increased earnings, easing 3 to 203p, while recently-firm Musterlin slipped back 8 to 157p despite bumper annual profits. However, after a similar disclo-sure Filofax were bought and ended 5 higher at 85p. Confir-mation of the talks between MAI and Addison Consultancy and of a possible offer for the

shares not already-owned by

MAI pushed Addison up 1% to

P&O suffered tha first marked sethack for several days, losing 13 to 658p, while Ocean Transport gave back all of the previous session's rise to close 10 down at 306p.

Fund management groups drew increased interest following Société Génerale's purchase of Touche Remnant Holdings. Henderson Adminis-tration featured a rise of 20 to

Denials from both camps that the Bond Corporation stake in Lonrho had been sold aroused little activity in the latter's shares, which drifted down to 318p. Polly Peck were one of few other overseas traders to make ground, rising 4 to 316p after confirmation that

the annual results would be

Three new issues made their

announced on Wednesday.

debut in the market: Amberley Group, placed at 57p touched 7lp, ended the day with a 9p premium at 66p; CCS Gronp opened at 35p before easing back to 32p in quiet trading; and Vista Entertainments. which were placed at 5p and finished the session firm at

Share Index: Tel. 0888 123001

7%p. GEC was the most heavily handled stock on the traded options market, attracting 2,584 contracts, about two-thirdscall. Overall market busi-ness was modest by any recent standard, reaching 33,193 contracts, made up of 21,334 calls and 11,859 puts. Index trading came to 2,577 calls and 3,966

Other market statistics, including FT-Actuaries Traded Options, Page 25

Hillsdown stake placed

The sale of his remaining 14.5 per cent stake in Hillsdown by Mr David Thompson, the founder and former chairman of the foods company, was widely welcomed in the market; dealers and analysts agreed that the sale removed a cloud that has cast a long shadow over the share price since last summer. The placing of the 60.5m shares (at 255p) was engineered by securities bouse Smith New Court in less than four minutes, so great was the demand for the stock

from institutions, said dealers.

Although Hillsdown fell to a day's low of 262p immediately after the sale, the stock rallied smartly to close just 8 weaker at 270p. Turnover ended at 128m shares. Yet, some analysts were warning that there could be an initial delay before Hillsdown shares begin their expected recovery. Broking house BZW forecasts a period of "indigestion" for the stock, but expects to turn a buyer of

Hillsdown in the longer-term. Overall, however, the mood was upbeat. Mr David Lang, analyst at Henderson Crosthwaite, was pleased that the stock overhang had been removed from the market and looked forward to a rating of Hillsdown that reflected the true value of the company. Mr Lang, who anticipates profits of around £175m this year from Hillsdown, concluded "Wa are looking for moves to strengthen the management of the company, and further developments that will sharpen the focus of Hillsdown's busi-nesses, reduce its searing and improve margins."

Pure genius

delighted the market with a 28 per cent rise in annual profits to £521m, a figure that easily topped most analysts' fore-casts. In the face of a weak market, Guinness responded firmly amid consistent buying, closing 7 better at 432p on turnover of 6.6m shares. Guinness also announced that it was increasing its stake in French group LVMH by 4 per cent to 24 per cent via the acquisition of a near 17 per cent holding in Christian Dior of Paris.

The immediate reaction of City brokers to the better-than expected figures was to upgrade their profits forecasts for the coming year. BZW, which said the "excellent" results proved that the spirits business could be "immensely profitable" when properly man-

Restructure

■ BEAZER group has brought its European housebuilding, construction and property

at Beazer

activities together in one company - Beazer Ltd.

Promotions and changes include: Mr Terry Upsall,

formerly group managing director of Beazer Homes and

Property, becomes chairman of the new company, vice chairman is his former

Stephens. Finance director of

Bennett, again previously with Homes and Property. All are on Beazer main board. Mr

companies, becomes managing director of Beszer Homes, with

Mr Steven Lidgate as deputy managing director, and Mr David Smith as finance

formerly of Beazer Special

Projects, becomes chairman

Mr Jonathan Rwbank has

■ Mr Tom Beddoes, technical director of Racal-Vodafone,

has been elected chairman of

the MoU group of European telecommunications authorities which is working

joined the partnership of

DENNIS MURPHY,

CAMPBELL & CO.

of Beazer Homes northern

director. Mr John Cadwallader,

the new company is Mr John

managing director, Mr Bob

Dennis Webb, formerly

chairman of the northern region housebuilding

Smith New Court was another house to waste little time in revising its numbers; Mr Mike McCarthy, the drinks analyst, is moving his forecast up by £30m to £620m. He eched the words of Mr Anthony Tennant, the Guinness chief executive, when he said of future trading prospects: Although the results were pretty good, they were still some way short of what the group is capable of."

Thorn verdict

The market gave its verdict on the two opposing views on Thorn EMI revealed during early trading. Mr Jeremy Woan, at Citicrp Scrimgeour Vickers, downgraded his fore-cast for the current year's profits from £343m to £317m, although he stood by his 1988 forecast of £285m. He cited flatness in the rental market, continuing problems in UK retailing because of adownturn in the economy and higher interest charges. "Short-term price weakness," was his conclusion.

On the other hand, Ms Isne Anscombe at BZW switched her recommendation from a weak sell" to a "buy" on the grounds that the bad economic news was already in the price — it had underperformed the market for six months. Her forcasts were unchanged at £285m. and £330m for last year and

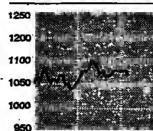
this respectively.

Logic cut little ice in trading, however. In a negative market like today's you discount the buying tack and look to selling," said a marketmaker. The stock closed down 13 at 676p, a sharper fall than in the FT-SE100 index.

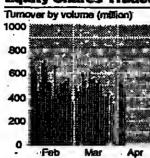
Reckitt and Colman lost only 7 to 10850 on publication of its 14 per cent rise in full year profits. Its highly valued brands should underpin the stock price," said Mr James Dodwell, analyst at BZW.

Beecham dropped through the 26 barrier, ending 15 off at 599p. Nomura's cautious tone overnight was seen as the main cause although one mar-ketmaker spoke of a US suggestion that Du Pont might try to bid for Smithkline Beckman

FT-A All-Share Index



Equity Shares Traded



in competition with Beecham. An optimistic note was struck by Mr Stewart Adkins, analyst at Shearson Lehman, who gave three reasons for short-term firmness in Beecham. One, if any bidder for Beecham were to appear, the price would be at least £8 a share. Two: if the the merger talks with SKB were to break down, the downside was no more than 5p a share. Three, if the deal goes ahead then the merged group would achieve £400m of cost savings, earn 30 per cent more and grow faster than the indi-

vidual companies. Another slide by crude oil prices - May Brent fell around 40 cents a barrel yesterday - and the overall decline by international stock markets put downside pressure on the energy sector.

There were exceptions, how-

ever, with British Gas resisting the trend after a strong buy recommendation issued by Paul Spedding, of the oil team at Kleinwort Benson. shares were finally unchanged at 176%p on turnover of 4.4m. having turnved over some 18m

the previous day.
The Kleinwort analyst says with regulatory worries now

MERIC HORMES (100).

DOI THEM FURTOS (2) Trees. Spo 1988, Trees.

200 H 1990, AMERICAMS (8) CANADIANS

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MAJJ, Polypies, CHEMBOR (2) Cocker

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NEW HIGHS AND LOWS FOR 1989

TRADETS (1) CNIDOGOR COTP., MINES (8)
TRADETS (1) CNIDOGOR COTP., MINES (8)
MEW LOWS (198).
MENTIAL PLANDS (20) SETLEABER & CTEAR
GOYT. ET.G. SERVES (4) FORESON SOMDS
(1) Hydro Guebpe 15pc 2011, CAMADAMS
(2) Breakware, Granges Exple., RAMOS
(4) SEEWERS (1) Guiannes, SURLDROGS
(2) Carror (Phoesis, Jerming, STONES
(4) ELECTRICALS (8) FOODS (5)
MEUSTRAAS (18) Bodycoys Ind., Brit.
Bloodstock, Detaney, Gloves Grp., Havelock
Europs, Hereit (J.), My Hidga, Mayne
Nickless, Metal Closures, Reed Caso.,
Ribertof, Rockers, Stainless Mesiacraf,
Wade Pots., Walter Greenbark, Wile Grp.,
MEMILIANCE (1) PWS Hidga, LEBTRE (2)
Frestwick, Tribon, PAPERS (2) Monetype
(20), User Walter, PROPERTY (8) SHOES
(1) Headlant Ston., TOTTE S (2) Albira
Bros, Leeds Grp., TRUSTS (9) GLS (1)
Sciege Oil, MINES (2) Becare Mine, Moneto
Res., Tribito SARMERT (1) Stake Hidga.

day. Among manufacturers talk that Hunter Saphir's contract to supply frozen meals (quaintly known as "recipe dishes") to Marks & Spencer could be under threat saw shares in the former lose 2 at **APPOINTMENTS**

158p. Northern Foods, one of Hunter Saphir's main rivals, are well placed to benefit if the contract comes up for tender, said dealers, and the shares spent most of the day in sur-plus before ending a touch easier at 293p. Broking house

& Industry Secretary, on the impact of "red tape" on business and enterprise.

Its sole operating company, Mr S.K. Laycock as an associate director.

WIGGINS TEAPE has appointed Mr Tony Johnston (above) as chief executive, car-(above) as chief executive, car-boniess papers operations. He succeeds Mr Gordon Bond who has been appointed chairman and chief executive officer of Appleton Papers Inc, Wiggins Teape's sister company in the US. Both are subsidiaries of B.A.T. Industries. ns from Initial Property towards the introduction of

the pan-European digital callular telephone network. This is the first time the post has been held by someone who is not a representative of a state-controlled PTT.

E GRAND METROPOLITAN has appointed Mr Gary L. Langstaff as executive vice president of marketing of subsidiary Burger King Corporation, Miami. He held a similar post at Imasco, a fast-food subsidiary of -

Mir Tim Chapman, training manager for Midland UK banking, has been appointed to the new post of training development director for MIDLAND GROUP. This will include responsibility for the new group training nt centre in London.

Mr Jonethan Marland has been appointed a director of LLOYD THOMPSON GROUP. Lloyd Thompson, has appointed Mr A.S. Barnes and Mr N.J. Peck as directors and

Mr Bob McDonnell, managing director of WILLMOTT DIXON MAINTENANCE's eastern operation; has been appointed operations director of the company, part of Wilmott
Dixon Holdings. He is
succeeded in the eastern region
by Mr Malcolm Robinson, who Maintenance where he was a regional manager.

BANQUE INTERNATIONALE ALUXEMBOURG has appointed Mr Robert Halcrow as senior manager of the London branch. He will be responsible for syndications and business development. He was head of Euro-currency lending and syndications at Saudi International Bank.

Mr.Neil McArthur. chairman of Thurnall Engineering, Manchester, has been appointed to the DTI advisory panel on de-regulation. The panel advises Lord Young, the Trade

BICC NETWORK SYSTEMS has appointed Mr Dave Parry as finance director, and Mr Tony Bowden as sales and marketing director.



Mr Anthony Harris, (above) group financial director of THE ALEXANDRA GROUP, becomes commercial director on April 12, Mr Julian Budd succeeds him as group finance director. Mr David Dunn, group chief executive of Stormgard, joins the group as a non-executive director on



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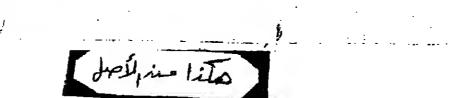
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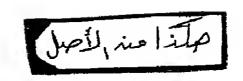
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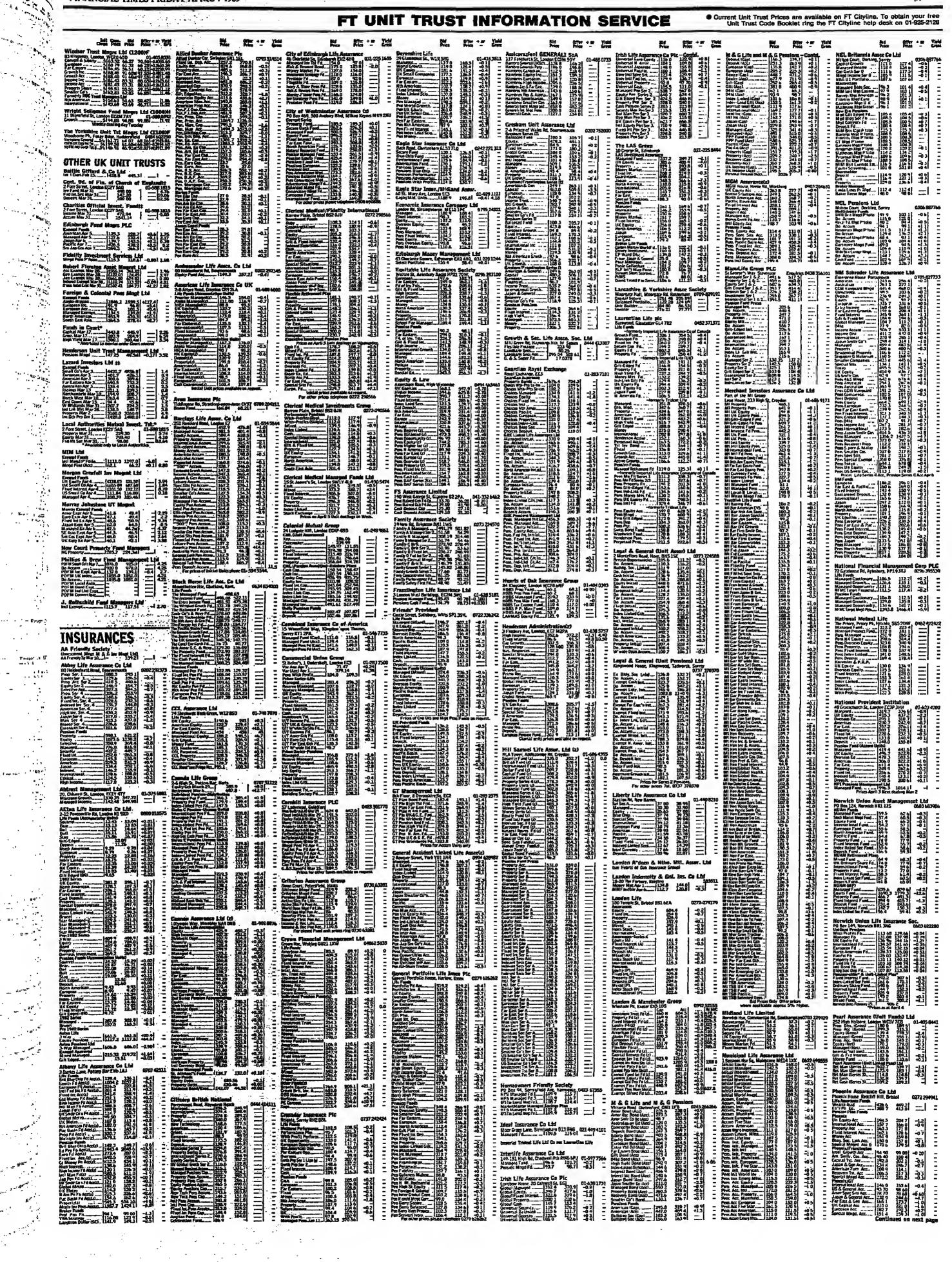


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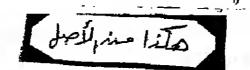




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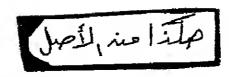
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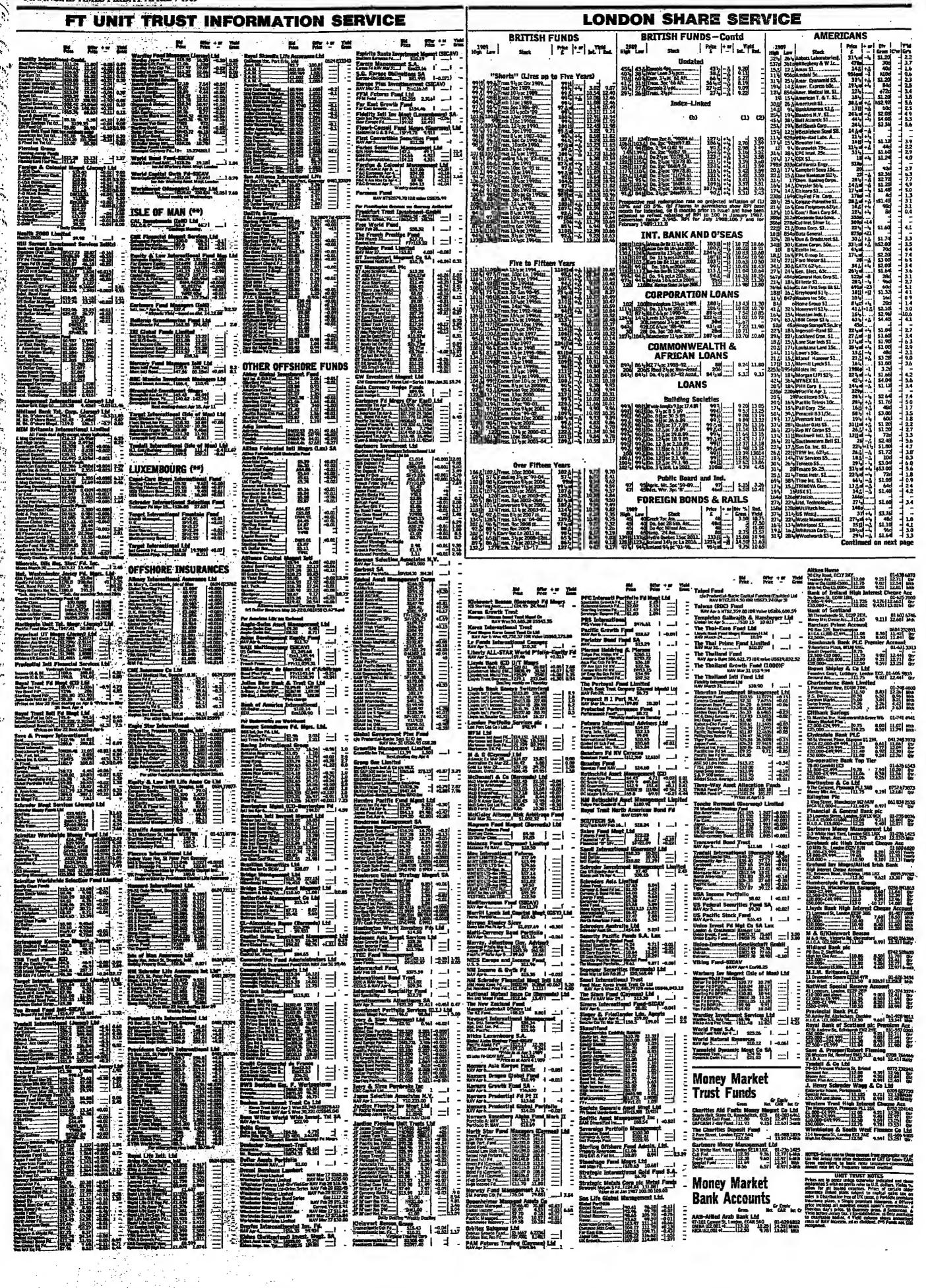


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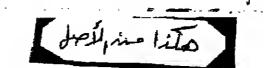
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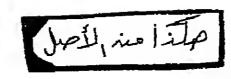




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205 Brissal 1 148 Buttler 246 Call Mar 2 196 Em Ar 2 170 Earder 2 170 Earder 3 170	Be Pott 9 . 345 904 90. 14. 25.9 11 176 S Eve Pott 9 . 345 910. 14. 25.23.3 3.2 24.3 Ever Pott 9 345 910. 14. 25.23.3 3.2 24.3 Ever Pott 9 345 1.2 16.4 St V 50t 1 328 1 2 72.0 0 1.7 12.0	12 24 27 27 27 27 27 27 2	derim in	\$117. 118 for 1 and 2000-05 (\$1126 -] \$73. % 6.9 97. \$1481 \$57	1961 146 Bearth: Misres; 100 190 100 100 100 100 100 100 100 100	interior since reduced, passed or deferred Tax-free to mon-residents on application Figures or report awalted Non-officially, UK listed; dealings permitted under rule \$35(4)(a) USIM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities. Not officially listed. Price at time of suspension Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast. Mot comparable Same interim; reduced final and/or reduced earnings indicated Forecast dividend; cover on earnings updated by latest interim statement. Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend. Cover does not allow for shares which may also rank for dividend at a future date. No P/E usually provided. No par waise
243 Person 1 362 Revent 1 362 Revent 1 163 H55 orthor 175 Treaty is 372 Rtd. Rev	p Pub 56 134 3.3 2.3 3.2 13.2 10.1 78 llb. 3 per life 10 p	Da Cu Marry 9 -2 5-9 -7 -7 -7 -7 -7 -7 -7 -7 -7 -7 -7 -7 -7	1942 - 19 315 1.2 3.0	136 25 hermiters 2 b p 134 5 26.7x 31 3.8 12.8 159 1 150 16x 16x 171 17	Finance EB1	B.Fr. Belgian Francs, Fr. Fritch Francs 55 Yield based on assumption Preasury Bill Rate stays unchanged until maturity of stock, a Annualised dividend, b Figures based on prospectus or other offer estimate, c Cents, it dividend rate paid or payable on part of capital, cover based on dividend en full capital, e Redemption yield, Filex yield, y Assumed dividend and yield, h Assumed dividend and yield after Scrip Issue, J Payment from Redemation yield, and interim bigher than previous total, in Redemation is the property of the payment of the
56 489 Quarter 123 238 Quarter 423 238 Quarter 701 704 Qty of U	Same. 59—7 579 5 57 5 579 5 57	19	Trainer 189, 305 1 1 1 1 2 3 1 1 3 1 2 3 1 1 3 1 3	OIL AND GAS 21	17 700	dividend and yield after pesiding scrip and/or rights Issue. He of Vidend and yield based on prospectus or other official estimates for 1989. R. Olvidend and yield based on prospectus or other official estimates for 1987-88, L. Estimated annualised dividend, cover and PJE based on intest annual earnings. W Olvidend and yield based on prospectus or other official estimates for 1988. N Dividend and yield based on prospectus or other official estimates for 1989-90. P. Figures based on prospectus or other official estimates for 1989-90 of Figures based on prospectus or other official estimates for 1989-90. Figures based on prospectus or other official estimates. The prospectus of the prospectus or other official estimates for 1987-8. Gross. R. Forecast annualised dividend, cover and pie based on prospectus or other official estimates. The figures assumed. W Pro forma figures. Z Olvidend total to date. Abbreviations: will extend the prospectus of the prospe
272 2179Croms 1 977 78B04ya Fr 136 11180affer 1 136 11180affer 1 137 252FKB Gr 137 252FKB Gr 137 252FKB Gr 137 252FKB Gr 147 252 252 252 252 252 252 252 252 252 25	2000.00 252 - 4 3.0 4 5 706 43 43 45 45 45 45 45 45	##Sport 9 344 - 20 11.68 - 5.2 6.7 56.00 for 5.60 for 5.6	### Carl 19 10 10 10 10 10 10 10	34 34 34 34 34 34 34 34	2 Assis 0ii & Minerals. 2 Assis 0ii & Minerals. 3 Assistratis Mining II 2 Assis 0ii & Minerals. 3 Assistratis Mining II 2 Assis 0ii & Mining II 3 Assis 0ii & Mining II 4 Assis 0ii & Mining II 4 Assis 0ii & Mining II 5 Assis 0ii & Mining III 5 Assis 0ii & Mining II 5 Assis 0ii & Mining II 5 Assis 0i	Albany ler 200 v Chaig & Rose EL. v Finday Pag. 5p v Heat Cloud 25p v IRISH Cap. By % La 1991 1219 Cap. By % La 1991 12104 Spc Cap In. 1996 12101 TRADITIONAL OPTIONS 3-month call rates Industrials p 470
971) 278 Mart 0" 46: 30 Mart 1 103: 153 Mart 1 110: 42 Da 5 La 2001 45 Da 1 190 160 Da 1 203: 193 Osbarre 6 86: 80 Osbarre 7	Se B 100 1 489 1 1 12.01 9 3.9 0 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	233 2 3 4 3 3 3 4 5 3 3 4 5 3 5 4 5 5 4 5 5 5 5 5	15 Sociated in 10s. 9 28 0.25 1.0 1.2 orth Sea Assets 56 y 24 1 1 1 1 2	12-1 9-4 February 101, 22-5 1 +4 032.20 5.0 12-7 9-4 February 101, 22-5 1 +4 032.20 5.0 12-7 9-4 February 101, 22-7 12-7 12-7 12-7 12-7 12-7 12-7 12-7	8 4- Worke Group AS1	Allied-Lyons 40 Pressy 28 Allied-Lyons 18 Polly Peck 28 BA7 40 Racal Elect 25 BA7 40 Racal Elect 25 BA7 32 Rask Org Ord 43 BA7 24 Rask Org Ord 43 BA7 25 Rask Org Ord 43 BA7 27 26 Resilient 38 BA7 27 26 Resilient 38 BA7 27 27 28 BA7 27 28 BA7 28 28 28 29 BA7 28 29 BA
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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Caution before US jobs data

THE DOLLAR continued to Wednesday at 95.5, having trade in a narrow range yesterday as most investors retreated to the sidelines ahead of the release today of US employment figures for March. The threat of central bank intervention has effectively restricted the dollar's upside potential, while solid support is expected by market players at the DM1.8640 level.

The US nuit finished at DM1.8685 from DM1.8720 and Y131.85 compared with Y131.75. Elsewhere, it finished at SF1.6390 from SFr1.6415 and FFr6.3075 against FFr6.3175. On Bank of England figures, the dollar's exchange rate index was 68.2 from 68.1.

Trading volume was suffi-ciently thin to push the dollar slightly weaker after com-ments by Mr Lloyd Bentsen, chairman of the US Senate finance committee, when he suggested that a lower dollar might help to cut the US trade

deficit.
Later trading in New York failed to provide any fresh incentive, and the dollar continued to trade between a low of DM1.8650 and a high of DM1.8710.

Sterling was confined to a narrow range as interest was centred elsewhere. Its exchange rate index was unchanged from the close of

		NEW		
Acr 6	T	Latest	Т	Pr.

Apr.6	Latest	Previous Close
ESpot	1.7000-1.7010 0.48-0.47pm 1.39-1.36pm 3.72-3.65pm	1.7020 - 1.7030 0 40 - 0.39pm 1.18 - 1.16pm 3 25 - 3.18pm
	ess and discounts as TRLING 11	

	, AUT.D	LIGHOR
8.30 am	95.4 95.4 95.4 95.4 95.5 95.5 95.5	95.4 95.4 95.4 95.4 95.4 95.3 95.5 95.5
CURREN	CY RA	TES .

And 6 Bank Special* European

U.S Dolker 7 1.29978 1.1126. Chandian 5 12.39 1.546.22 1.3269/	O.104	%	Rights	Unit
10/14 0.70000	U.S Dollar	47.75 7.75 7.75 7.75 7.75 7.75 7.75 7.75	1.29978 1.546.22 17.1389 51.0229 9.47215 51.0229 2.74903 8.22241 1787.13 170.661 8.846.30 151.161 8.29130 %[A	0.65429; 1.11262 1.32691 14.6488 43.5787 8.06989 2.08116 2.34730 7.02455 1526.85 147.156 7.56361 129.120 7.08964 1.12804 176.818 0.78002

"All SDR rates are for Apr.5 **CURRENCY MOVEMENTS**

Apr.fs	Bark of England Index	Morgan Guaranty Changes 9
Sterling	95.5 68.2	-16.2
U.S Dollar Canadiso Dollar	102.2	-10.0
Austrian Schilling	106.6	49.8
Belgian Franc	105.8	62
Danish Krone	1037	
Deutsche Mark	112.7	+20.5
Surks Franc	105 1 110 1	+14.2
French Franc	99.7	-15.0
Lira	97.4	-20.2
Yen	347.1	+79.8

Apr 6	£	5
Argentina Australia	82.5275 - 82.7415 2.1120 - 2.1145	48.5000 - 48.6000 1.2400 - 1.2410
Brazii Finland	16930 - 17025 71595 - 71725	0.9950 - 1.0000 4 2070 - 4.2090
Greece Hoog Hoog Iran	267 75 · 272.25 13 2465 - 13.2595	157.55 - 160.25 7.7830 - 7.7850
Korea(Sth) . Xuwait	1134.05 - 1143.20 0.49265 - 0.49465	70.20" 665.90 - 671.30 0.29000 - 0.29050
Luxemboorg Malaysia		39 05 - 39 15 2 7490 - 2 7510
Medco N Zealand .		2395 00 - 2405 00 1.6445 - 1.6475
Saudi Ar Singapore	6 3800 · 6 3905 3 3125 · 3 3175	3.7500 - 3.7510 1 9470 - 1 9490
S Af (Cra) S. Af (Fe) Faiwan	4,3345-4,3455 7,0060-7,1530 45,98-46,10	2.5480 - 2.5480 4 1150 - 4.2015 27 25 - 27 35
AE.	6.2465 - 6.2585	3 6725 - 3 6735

MONEY MARKETS

Tone stays firm

INTEREST RATES had a policies unchanged at yester-slightly firmer tone in nervous day's council meeting. The dis-trading on the London money market yesterday. Fears about higher bank base rates contin-ned to day instant are remained at yester-count rate remains at 4.00 per cent and the Lombard emer-gency financing rate at 6.00 per ued to dominate sentiment, as cent. dealers looked for any sign of downward pressure on ster-ling, against the background of

downward pressure on sterling, against the background of
a weak UK trade position.

Three-month sterling interbank was quoted at 13%-13½
per cent, compared with
13%-13 per cent on Wednesday,

the trend in the market
appears to he downwards at
present, with little fear of an
early rise in official rates. This
week's allocation of DM37.2bn,

UK clearing bank have leading rate 13 per cent from November 25

while 12-month money rose to 131-13 per cent from 13-12% per

Day-to-day credit remained in comfortable supply in London. The Bank of England initially forecast a money market credit surplus of £200m, hut revised this to a surplus of £150m at noon and to a flat position in the afternoon. There was no action by the authorities in the market.

Bills maturing in official hands, repayment of late assis-tance and a take-up of Trea-sury bills drained £126m, with a rise in the note circulation absorbing £80m. These factors were offset by Exchequer transactions adding £395m to liquidity and bank balances above target of £20m.

In Frankfurt the West German Bundesbank left its credit totalling Fl 445hn.

closed at \$1.7060 from \$1.7000 but rose against the D-Mark to DM3.1850 from DM3.1825. It was also higher against the yen at Y224.76 from Y224.00. Elsewhere, it finished at SFr2.7950 from SFr2./900 and FFr10.7500 compared with FFT10.7400. The D-Mark failed to break

opened at 95.4. The pound

The D-Mark falled to break through resistance at Y70.70 against the Japanese yen. Early trading saw the West German unit move up to Y70.67 from Y70.37 on Wednesday, but the push through Y70.70 falled to materialise and the D-Mark eased back to finish at Y70.56. Despite resistance at the higher levels, the D-Mark is expected to make further advances against the yen as the latter continues to suffer from a lack of investor confidence. Sentiment has been influenced by the continuing Recruit Cosmos share scandal

senior Japanese Government

officials.
The Swiss franc managed to recoup its earlier losses against the D-Mark, having touched its lowest level for seven years in early trading. The Swiss unit was bolstered by rumours of a possible rise in the Swiss discount rate. However, the Swiss central hank dismissed the speculation as haing

Despite the franc's steadier tone, many analysts see the Swiss unit falling further and driving the D-Mark above the SF0.8800 level.

The French franc held steady against the D-Mark, showing little reaction to com-ments by Mr Pierre Beregovoy, the French finance minister, that the French franc would be revalued in the event of an EMS re-alignment. The D-Mark was quoted at FFr3.3755 from FFr3.3740 on Wednesday.

			44 4		
	Ecu central rates	Currency amounts against Ecu Apr. 6	% change from central rate	% change adjusted for divergence	Divergence Hasit %
glas Franc usb Krone man D-Mark ch Galkier h Pust Lian Lira	42.4582 7.85212 2.05853 6.90403 2.31943 0.766411 1483.58	43.5787 8.08989 2.08116 7.02455 2.34570 0.789022 1526.85	+2.64 +3.03 +1.10 +1.75 +1.05 +1.51 +2.92	40.95 40.95 40.95 40.95 40.95 40.95	±1.5344 ±1.5404 ±1.0981 ±1.3674 ±1.5012 ±1.6684 ±4.0752

Agr.6	Day's spread	Close	Que month	% pa	Three	% p.e.
Canada Canada Mether lands Bedgleon Denotark tretand W. Germany Portogal Spale Italy Korway France Sweden Japan Anstria Switzerland Switzerland	197.10 - 197.95 2331 - 234215 11.534 - 11.60 10.725 - 10.77 10.824 - 10.864 2244 - 22515 22.36 - 22.47	1.7040 - 1.7050 2.6370 - 2.0393 3.564 - 3.593 66,60 - 66.70 1.375 - 12.364 1.1940 - 1.1950 3.184 - 3.184 32.25 - 23.3 - 23.3 197.25 - 197.25 23.365 - 23.75 10.745 - 10.755 10.86 - 10.86 2.77 - 2.50	0.38-0.36cpm 0.12com-squ 2-14-cpm 30-24cpm 45-3-3cppm 0.55-0.5cpm 5-40cits 20-5cpm 3-14repm 14-14-pm 15-14-ypm 15-11-ypm 12-11-ypm 12-11-ypm 12-11-ypm	2.60 0.35 6.26 4.86 3.87 5.27 6.59 1.03 1.56 4.19 1.61 8.34 6.58	1.17-1.13pm 0.44-0.26pm 54-54-pm 58-73em 1.25-1.25pm 1.25-1.25pm 1.25-1.25pm 1.25-1.25pm 45-30pm 6-4pm 1.4-1.25pm 44-34-pm 354-334-ppm 354-334-ppm 45-334-ppm	27 661 47 40 46 64 0.7 0.8 16 42 152 61

				_		
DOLL	AR SPOT-	FORWAR	D AGAII	VST '	THE DOL	LAR
Apr.6	Day's spread	Clase	Que month	94.	Three months	% p.a.
UKY	1.6980 - 1.7070 1.4245 - 1.4250 1.18975 - 1.1955 2.1062 - 2.1115 39.05 - 39.20 7.254 - 7.28 1.8650 - 1.8725 1.366 - 1.9746 1.1585 - 1.16 15 1.366 - 1.974 6.784 - 6.80 6.354 - 6.374 1.3165 - 1.324	1.7040 - 1.7050 1.4290 - 1.4300 1.1935 - 1.1945 2.1065 - 2.1075 39.05 - 39.15 7.26 - 7.264 1.54.05 - 1.54.15 115.90 - 118.00 1.54.05 - 154.15 1.57.04 - 1.18.00 1.57.04 - 1.37.14 6.782 - 6.79 6.304 - 6.31 6.35 - 6.364 131.80 - 131.90	0.36-0.36cpm 0.30-0.35cdt 0.20-0.25cdts 0.62-0.60cpm 8.00-6.50ccpm 0.62-0.60cpm 35-55cdts 1.50-2.50 liveth 0.55-0.80crefts 0.80-0.75cpm 0.50-0.75cpm	2.60 -2.74 -2.26 -3.47 -2.15 -1.91 -1.91 -1.19 -1.19 -1.19 -1.19 -1.19 -1.19 -1.19 -1.19	1.17-1.13pm 0.91-1.01ds 0.91-1.01ds 0.97-0.64ds 1.86-1.81pm 23.00-17,00pm 1.30-1.70pm 1.15-1.65ds 1.65-0.2ds 56-0.2ds 5.50-7.50ds 1.75-2.05ds 2.50-2.35pm 1.80-2.10ds 1.85-1.82pm	2.79 -2.69 -2.03 3.48 -2.04 -1.16 -3.63 -2.04 -1.12 -1.54 -1.12 -1.54 -1.55
witzerland .	13 154 - 13.174		4.00-3.60grapas 0.63-0.60cpm	3.47	12 20-11.00pm 1.77-1.73pm	3.53 4.26

		JRREN				
Apr.A	Shart	7 Days	Gre Month	.Three Months	Months	Am.
erling 5 Ooflar, Dollar, Dollar, Franc,	125-124 925-124 63-55-13- 125-124 63-55-13- 713-74 43-4 713-74 85-83-13- 85-83-13-74 85-83-13-74	124-12 93-94 123-124 53-55 64-55 83-83-1 113-103 73-73 43-4 93-83	128-125 10-93 123-115 64-64 54-64 87-84 114-114 73-73 47-44 91-83 10-93	134-134 124-124 124-12 534-54 534-54 534-54 124-13 54-54 54-	13. 13. 13. 13. 13. 13. 13. 13. 13. 13.	134-134 191-14

t UK and beland are quoted in US corrency. Forward premiums and obcomes apply to the US dollar and put to the individual corrency. Belgian rate is for convertible frams. Flametal frams 39 20-39 30.

Long term Eurodoli cent; five years 10% -10 days notice.	ars two years 10%, 10½ per o ly per cent rappinal, Short ten	ent; three years 1/ n rates are call fo	o (65 Doklars and Japa)	See Acrt opport p
	EXCHANGE	CROSS	DATES	

	EXCHANGE CROSS RATES									
Арт.6	£	5	OM	Yes	F Fr.	S Pr.	# FL	Ura	CS	B Fr
E \$	1 0.587	1.705 1	3185 1868	224.8 131.8	10.75 6.305	2795 1639	3.593 2.107	2337 1371	2038 1195	64.6 37.0
QM YEN	0.314 4.448	0.535 7.565	14.17	70.58 1000.	3.375 47.82	0.878 12.43	1.128 15.98	733.8 103%	9.064	20.9 29b
F Fr. 5 Fr.	0.930 0.358	1.586 0.610	2.963 1.140	209 1 80.43	10. 3.846	2.600 1	3.342 1.286	2174 806.1	1.8%	62.0 23.8
H FL Ura	0.278 0.428	0.475 0.730	0.886 1.363	62.57 96.19	2.992 4.600	0.778 1.196	1537	650.4 1000.	0.567 0.872	13.5 28.5
C S 8 Fr.	0.491 1.500	0837 2558	1.563	110.3	5.275 16.13	1.371	1.763	1147	3.058	\$77 100

Call money in Frankfurt was

at a securities repurchase agraement tender, was regarded as generous, draining only DM300m on balance, and leaving the banking system reasonably liquid.

A smaller allocation had

heen expected, to offset profits made by the Bundeshank last year. The central bank made an unappropriated profit before transfers to the Government and reserves of DMIL50bn in 1988, compared with DM2888 in 1986. This

with DM338m in 1987. This

money is expected to find its way into the market and

increase the general level of

liquidity. The profit level of the

central bank was boosted by net sales of dollars against the

In Amsterdam the Dutch Central Bank offered liquidity to the domestic money market,

via a tender for seven-day spe-

cial advances, at an unchanged rate of 6.4 per cent. This

replaces two expiring pacts,

D-Mark over the year.

FINANCIAL FUTURES

Locals cover short positions

delivery closed near the day's peak on Liffe yesterday, but this did not appear to reflect fundamental considerations, or the general mood of the market which remained bearish. Fears of a rise in international interest rates and of a weakening of sterling continued to weigh on sterling based contracts. June short sterling opened at a technical support level of

LIFFE LINE ELT PUTORES OPTION

的日本語院等者的 LIFFE S/S OPTIONS

PHILADELPHIA SE LIS OFTENS ETI,250 leads per EU

108 LONDON (LIFFE)

Estimated Valume 20062 (25925) Previous day's open tot., 23106 (21234) 7-10 VENE 9% MITTERIAL GELT 250,000 32mb of 180% One High Low Prev. 92-25 92-22 92-16 92-29 Estimated Volume 131, (II) Previous day's open (at., 272, (272)

Estheniad Volume 531 (617) . Previous day's open lat, 805 (770) THREE MONTH STENLING CS00,000 palets of 1987

Est. Vol. Cor. Figs. not shown) 20722 (21364) Previous day's open lat, 62775 (61302) 277.00 212.46 207.00 212.80 213.50

Estimated Volume 2001 (2332) Province day's open tor, 17614 (1770/A' - -

Estimated Voltage 9334 1143903 Previous Sty's open lat. 33393 (33631) PRUNIS (FOREIGN EXCHANGE) 17006 16990 16839 16725

DASSTERLING Se per L 16736 L6714 16730 16842 16810 16836 16780 - 16774 FT LONDON INTERBANK FIXING

G1.00 a.m. Acr. 6) 3 months US deltars. 6 months US Dotlars MONEY RATES

NEW YORK			Treasur	Blisani	Bonds .	
(Lunchtime) Prime rate Prober loan rate Fed.fishes Fed.fishes at intercention	114	Gne month Two month Taree month Six month Case year		9.11 Four 9.20 Fire: 9.30 Sees 9.48 10-m)47 737 148 2	9.5
Apr.6	Oversight.	Cire Month	Two Mosths	Three Months	Sig Months	interesti
Frankfurt Parts Carich Carich Carich Carich Colyo Millian Sensess Debits	5.90-5.95 81-81 ₂ 41-51 ₄ 65-6.68 41-41 ₄ 121-121 ₄ 5.75 71 ₂ -71 ₄	5.90 d.85 81,84 51,55 6.45 d.5 47,44 12-125 74-78 72-73	610625 84-85 78-84	630-445 85-84 51-57 645-675 412-42 121-121 81-84 72-83	6.60-6.75 84-83 83-85	6.00 7.25

LONDON MONEY RATES									
Apr.6	Overplight	7 days . notice	Month	Three Months	Six Months	Cine Year			
nterbank Offer	124	121,	131, 121, 122, 121,	134	13.	137			
terbank Bld	- 3	354	124	173	15	128			
ocal Authority Deps	12	123	157	136	124	123			
ocal Authority Bonds		12-4	175.4	يندر	ואַנגו	14.4			
Iscount Mikt Dees	113	124	121	1 1	- 1				
ompany Deposits		124	157	1462	177-	44			
Inance House Deposits	1		153	践	137	12日			
reasury Bills (Buy)	- 1		152	125	220	120			
ank Bills (Buy)			153	12番	121	_			
ne Trade Billis (Buy)	[153	138	121, 13 10.35 28	_			
ntiar CDs	- ' '	_	565	20.15	10 35	10.70			
DR Linked Dep Offer	_ [91.	812	1000				
DR Linked Dep Bld	- 1		11111111111111111111111111111111111111	84	87	87			
CU Linked Dep Offer		_	93	84	313	~ ~ ~			
CU Linked Dep 8ld	1		84 .	85	813	91			

Treasury Bills (sell): one-month 1211 per cent; there months 122 per cent. Sank Bills (sell): one-month 1212 per cent; three months 1232 per cent; Treasury Bills: Average Lender rate of discount 12340 p.c. LGGs Fixed Rate Sterling Export Finance. Make up day Marris 11, 1989. Agreed rates for period April 26,1989 to May 23, 1989, Soberne II 13,00 p.c., Schemes II 6,111: 14.37 p.c. Reference rate for period March 10, Branch 11, 1989, Soberne IV 6V: 13,06 p.c., Local Authority and Finance Houses seven days include. Others seven days first Finance Houses Base Rate 1319; Irom April 1, 1989; Bank Oppoit Rates for soms at seven days notice per cent. Certificates of Tax Deposit Sories 6V, Deposit 2010,000 and over held upder one month 9½ per cent; one-three months 11 per cent; three-six menths 11 per cent; six-nine months 11 per cent, give the levels months 11 per cent; one-three worths 11 per cent; one-three months 11 per cent; one-three worths 11 per cent; o

equally see only risk and little reward in going long SHORT STERLING for June 86.92 and traded within a range delivery closed near the day's of 86.87 to 86.98, before closing peak on Liffe yesterday, but at 86.97, unchanged from

Wednesday's close. The reason for the firmer tone during the day was the unwinding of short positions by local trad-ers, ahead of today's US employment data for March.

Traders are worried about carrying short sterling posi-tions into the announcement of US employment trends, hut

4705公4435 17554X1209 Estimated volume total, Calls 25 Pots 30 Prestate day's open let. Calls 2366 Pats 1871

Price 1.650 1.750 1.800 1.850 1.950 10.15 16.45 3.30 2.00 1.10 0.60 0.10 2.70 7.20 12.20 17.10 1338

D-Mark.

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A rise of around 230,000 in

US non-farm payrolls is expec-ted, but if the figure is above

300,000 it will increase specula-tion about higher US interest rates. This will increase the

bearish tone in UK credit markets; but if the US employment figures are weak, it is feared that the pound will suffer against a strengthening

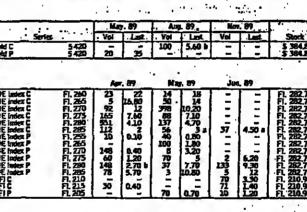
Both scenarios appear to be hearish for London interest rates, and on this basis the Liffe market is technically neg-

It was noted that yesterday's

low removed the previous sup-port level of 86.92 for short

CHICA		Park	nted volum nes day's e	ne total, Co pen let: Co	E MA PAS IS MA PAS	N/A S MI			
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TOTAL VOLUME IN CONTRACTS: 40,360 IX 8-840 C-Call P-Pat

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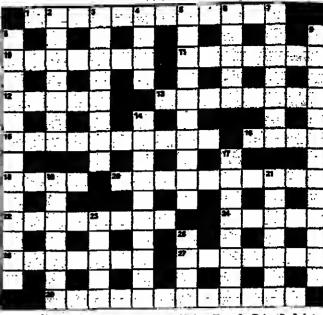
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CROSSWORD

No.6,903 Set by GRIFFIN



I innocent chap dressed as furniture remover (12) 10 Not a real facility, it's free

11 Justify having jogged in a verruca (7) 12 Having broken leg at hom

is here (5) 13 Same opening in camp floor 15 Plans to replace Mr A.G. Rose, MP (10) 16 Maxim decapitated a Ger-

man (4) Back number containing "First Aid for Cattle" (4)

20 Investigation into why one's late (4-6) 22 In other words Di can't get involved in show (8)

24 Beastly places giving amateur displays (5)
26 Vital new article by Lett (7) 27 Stuffed a pound note in Peter's letters (7) 28 Snacks for soldlers — new

chaps - on the way back 2 A fresh roll, say, swallowed quickly (7) Coaches shower during rest

break (8) 4 Credit note duplicated by an Indian (4) les after information from

6 "A French Priest", I inter-

7 Next time is standing in cosy place (7) 8 Reckless replies Robin's resolved to give (13)

BR employee changes to steam trains (13) steam trains (13)

14 Standing by opening in new cinema (10)

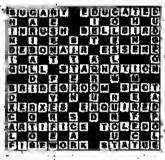
17 Look, standing in odd places makes you fail dewn! (3)

19 "One hearing it". Dora exploded, "heard you going in" (7).

21 Weapon I'd found in the

water at Stoke (7)
28 Head cook swallows one (5) Superior jaunting-car hard to find (4)

Solution to Puzzle No.6,902



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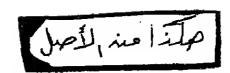
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| Trimed | 17 | 365 | 23 | 241 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 101₂ 151₄ - 1₂ 71₄ - 1₃ 271₅ 231₄ + 1₄ 81₂ - 1₄ Travelling by air

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AMERICA

Dow eases on worries about jobs statistics

Wall Street

FOR MONTHS, the equity market worried that each monthly unemployment release would show another hefty rise in jobs which would put upward pressure on wages and prices. Yes-terday, stocks went on the defensive because a weak jobs figure was anticipated today, writes Janet Bush in New York. At 2 pm, the Dow Jones Industrial Average stood 11.91 lower at 2,292.89 in modest vol-

ume of 85m shares. The balance of worry in the equity market has shifted. Traders have now become convinced that the economy is starting to decelerate which should take the upward pres-sure off inflation and interest rates. A few weeks ago, signs of slowing were all positive for

Now, however, the chief con-cern is beginning to be the effect on corporate profits of the slow-down.

The consensus of forecasts for today's March jobs release is for a rise in the non-farm payroll of around 215,000 compared with the 289,000 gain in February. The unemployment expected to rise to 5.2 per cent or even 5.3 per cent from 5.1 per cent in the previ-

ous month.

For bonds, a weak set of figures should be unequivocally good news. For stocks, however, anything suggesting that the economy is decelerating quickly could be worrying.

There were a number of mildly negative influences on the equity market yesterday. One was the fall in the Tokyo stock market after seven successive gains. Second, the vulhas taken its toll on confidence. The fall in Treasury prices on Wednesday came in spite of a sharp drop in crude oil prices and commodity

Third, the dollar came in for some selling pressure yester-day morning after a remark by Senator Lloyd Bentsen that he would like to see the dollar about 10 per cent lower.

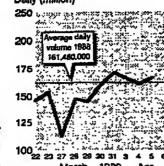
A remark on currency policy

from the Democratic chairman of the Senate Finance Commit-tee would not normally have much impact but there was little else to focus on in currency market's vesterday.
Another undermining thought for the equity market is that there has been very lit-tie genuine investment in the price movements on specula-tion about takeover deals. Vol-

ume bas been uniformly Interest has concentrated in defensive issues which perform well when the broad economy is weak and in interest-rate sensitive issues. On Wednes-day, the New York Stock Exchange Financial index

reached a post-crash high. Retailing stocks were in focus yesterday as a number of large chains announced

NYSE volume



their March sales figures which were generally weak. Sears, Roebuck eased \$1/4 to \$44, F.W. Woolworth fell \$1/4 to \$48%, K Mart slipped \$% to \$38% and J.C. Penney declined

\$% to \$52%. Bucking the trend was Gap which added \$% to \$40% after reporting a 29 per cent gain in sales compared with a Amoog individual featured

issues was Ocean Drilling & Exploration which gained \$1% to \$18% on news that Murphy Oil plans to propose a merger. Murphy, which already owns 66 per cent of the company, fell \$1 to \$35.

Georgia-Pacific added \$\% to \$43\%. The company said it expected to report earnings of more than \$1.55 a share in the first quarter, above analysts'

Sea Containers dropped \$1% to \$42% after two of the company's subsidiaries said that they had agreed to buy 1.3m of their parent's common shares from Templeton Group.

QUIET TRADING saw stocks lose ground at midsession. The composite index fell 6 to 3,550.13. Loses led gains 269 to 161 in

volume of 9.7m shares.

Nikkei loses ground after 7-day rise to all-time high

Tokyo

CONCERN about growing political unrest and the precipitous level of share prices sent equities plunging for the first time in eight sessions, writes Michiyo Nakamoto in Tokyo.

Sbares opened on a weak note and moved downwards during the day to hit a low of 32,839,27, a loss of over 500 points. Buying by traders at these lower levels helped sup-port the Nikkel, which recovered somewhat by the close to 32,995.78, a fall of 365.01 on the day. This was the second larg-

est single-day loss this year. The day's high on the Nikkei was 32,334.41. Declines led advances by 644 to 252 with 159 issues unchanged. Turnover dropped substantially to 1.09bn shares from the 1.81bn traded on Wednesday. The Topix index of all listed shares lost 24.96 points to 2,469.78 and in London the ISE/Nikkei 50 index fell 4.85 to 1,967.98.

New revelations on the political financing side of the Recruit scandal gave rise to growing concern about the precarious state of the Government. It was revealed yesterday that Mr Takao Fujinami, former Chief Cabinet Secre-tary, had received another Y15m in political funds from the Recruit group in addition to the sum he was already

known to have received. On Wednesday it emerged that the Recruit group had bought Y50m worth of tickets to a party in support of Mr Noboru Takeshita, the Prime Minister, when be was Secre-

tary General of the ruling Liberal Democratic Party (LDP). The cripplingly low support rate given to Mr Takeshita's

Government and the further implication of politicians in the ruling party led to a growing belief that the Cabinet would be forced to resign. Market speculation that Mr Fujinami would be arrested added to investors' nervousness.

The political upheaval, however, was not expected by most

analysts to have a very lasting impact on the market. "Japanese political scandals generally have little effect on the stock market ...," said County NatWest Securities in a recent report. Although the Recruit scandal has occasionally dampened activity it was not thought to be the main cause of yesterday's decline which was attributed to profit-taking. interest focused on issues

involved with new materials used in nuclear fusion. Mitsubishi Metal, the most actively traded stock with 46.5m shares, ained Y50 to Y1,250. Mitsubishi Metal is one of only three Japanese companies producing alladium and platinum which are used for nuclear fusion.

Issues related to protection

of the environment saw renewed interest with Showa Denko climbing to second on the most actives list with 32.2m shares traded. Showa Denko, a chemical company, bas been selected for its recycling sys-tem for users of chlorofluorocarbons (CFCs) and its development of a substitute for CFCs used in refrigeration. It gained Y80 to Y1,380. Ebara, popular for its

tion control, was third most actively traded with 25.4m shares and rose Y20 to Y2,040.

Trading in Osaka suffered profit-taking in steels and ship-buildings. The OSE average fell 232.32 to 31,686.77 in turnover of 84m shares.

Roundup

AN ABSENCE of corporate news left Asia Pacific markets lacklustre overall and the picture was mixed at the end of the day.

AUSTRALIA drifted lower as the interest rates cloud returned to the market following the release of figures pegging domestic unemployment at a reduced rate of 6.2 per cent last month.

Turnover rose to 223m shares worth A\$223m and the All Ordinaries index eased 1.8

to 1.424.5 SINGAPORE edged to a higher close on speculative buying, with the Straits Times index adding 1.17 to 1,192.43. Blue chip issues were largely ignored in favour of warrants

and selected property stocks. HONG KONG saw a switch into utilities from second line property stocks as investors returned from the previous day's holiday.

The Hang Seng index rose 23.55 to 3,015.51, with movements exaggerated by the low religious at LIVES 7 to 1800.

volumes, at HK\$8.7m in value.
TAIWAN was led sharply
higher by banks and construcnon stocks, with the weighted index breaching 7,500 for the first time in three weeks as it rose 223.25 to 7,535.87.

Bourse activity lulled by March of idleness

European markets found it hard to stay awake last month, reports Alison Maitland

ing activity in the European markets last month, there was no need to beware the ides of March. It was more a question of surviv-

Indeed the 15th day of the month – the ides in question – proved one of the few sessions when bourses saw a decent level of volume.

For most of the rest of the

For most of the rest of the month, they struggled to stay alive. Volumes either improved only slightly, or else fell further from February's already sharply lower levels, which followed an exceptionally active month in January.

Once again, investors in Europe were beld in thrall last month by economic developments across the Atlantic. ments across the Atlantic.
On March 10 came the surge

in US employment figures for February and the steep fall in unemployment, followed in mid-month by sharply higher US producer price figures which set off fitters — in the event unfounded - about February's consumer price infla-

tion figure.

Then there was this year's early Easter, which put a dampener on trading activity for some days before and after the long holiday weekend of March 25 and 26.

An unmemorable, performance on the trading front came in spite of the release of strong corporate results.

The response to these signs of continued economic buoy-ancy was more positive in the Netherlands and West Germany, where turnover rose from February's levels by 9 per cent and 15 per cent respec-tively, than in France, where it

fell 28 per cent.

The Dutch market was booyed to new highs for the year not only by good results from such companies as Bührmann-Tetterode and Hoogovens, but also by a revival of the companies as but also by a revival of takeover speculation, notably in office furniture company

Aircraft maker Fokker contributed to higher volumes as its share price bounded ahead on an extraordinary burst of

new orders, coliminating in the one from American Airlines worth more than \$35m. Spain showed the second best improvement on Febru-ary, as volume rose 4 per cent

> ing, and automotive stocks cama into the limelight towards the end of the month. while better news on inflation rates also helped revive interest in Madrid.

> between nervousness over higher interest rates and the Hesse local elections, in which the conservatives were defeated in Frankfurt, and confidence about the healthy state of the economic and corporate

Belgium thanks to persistent apecula-tive activity in the construc-tion sector, which focused on cement company Asland. Banks attracted some buy-66.0 France ... Germany Italy Netherlands 358.9

trading. Source: County NatWest WoodMac West Germany veered

Matters improved when the Bundesbank signalled it did not intend to lift interest rates further, but daily volume in domestic shares was mostly in the deaths helper DADE. the depths below DM3hn. In France, sporadic specula

EUROPEAN EQUITIES TURNOVER Monthly foint in local currencies (his) 72.4 13.7 Spain Switzerland Volumes represent purchases and sales. Swise and Fradata estimated. Italian data atjusted to include off-ma

tion in stocks such as LVMH. Midi and paper maker Aussedat Rey and better than expected results from big names like Printemps and Thomson Calproved insufficient to pull back the buyers. A concomitant unwillingness to sell; together with the threat of cash calls on tha market, kept volume low. Switzerland saw turnover fall an estimated 20 per cent as it spent much of the month

Sulsee and good results from the likes of Brown Bowst. Italy's volumes dropped 16 per cant. depressed by uncertainty over government moves to tackle the budget deficit and by rises in the discount and

Brief enthusiasm over au apparent breakthrough on apparent breakthrough on about the restructuring of the banking sector saved Milanton further ignominy. Brissels was inactive with turnover selling 12 percent

Approach of US data keeps trading timid

WITH the approach of the US employment figures today. most European bourses traded timidly yesterday and ended slightly weaker. Zurich and Madrid proved the exceptions, writes Our Markets Staff.

it-taking amid caution over the US March jobs figures, but corporate activity and a large order for Philips belped to swell turnover to an active FI 914m worth of shares. The CBS tendency index ended 0.6 easier at 175 after reaching new highs for the year for the

past two sessious.

Philips topped the actives list after a purchase of 500,000 shares at Fl 38.95, apparently by a Dutch investor. Philips added 20 cents to FI 38.90.

Pakhoed, the transport and storage company, added Fl 1.50 to Fl 133 after reporting better than expected profits of FI 67.8m, up from FI 42.5m excluding extraordinary items.

Office furniture company Ahrend gained a strong Fl 15 to Fl 280 as speculation grew that Bührmann Tetterode was raising its stake. One broker, who believes Bührmann may already bold a majority of the company's certificate shares — which do not carry voting rights — said that if Ahrend rejects a bid there might be a test case in the courts about

takeover defences.

Aircraft maker Fokker lost
Fl 1.10 to Fl 42.90. KLM is cutting an order for Fokker 100s from 10 to six following delivery delays, but there were also hopes of an Indonesian order. Hunter Douglas, the blind maker, added Fl 250 to Fl 104 with no news in the stock but a perception that it was undervalued. Center Parcs climbed Fl 3.10 to Fl 74.70 on befty turnover of 175,000 sbares amid speculation about a takeover

bid, possibly from the UK.
FRANKFURT had a cautious session although turnover stayed around the same active level of the past two days at DM3.71bn. After a good start, shares cama off "quite abruptly" towards the close as the Bundesbank'a decision to leave interest rates unchanged proved an anti-climax, said one

There was a sense of nervousness that the US employment figures today could inter-rupt recent stock market gains. The FAZ was np 2.39 at 566.30

FR1944 amid speculation of a trade, adding L29 to L2,095. gave up some ground. Comat midsession but the DAX

index eased 3.30 to 1,345.50 at Unlity RWE was the most active stock, rising DM10.50 to DM257.50 as sbares worth DM292m changed hands. A number of reasons were given AMSTERDAM ran into proffor the rise, including the strong results last month from

its Deutsche Texaco snbsidiary, prospects that it would lift its dividend on 1988/89 results, and expectations that margins would improve in the refining industry in the second quarter after a difficult start to

he year. BHF bank lost DM7 to DM484 after reporting a slight rise in group partial operating profits and saying 1989 profits would probably be lower. Insurer Allianz came second

in the actives list, gaining DM15 to DM1,755 after a DM45 rise on Wednesday. The company would not comment on speculation it was supporting the price in advance of a capi-

PARIS paused for breath after recent steady rises, and

over, bowever, and volumes were estimated at about

The CAC 40 index fell 9.89 to 1,653.93 and the OMF 50 index essed 1.60 to 469.12, with Wall Street's weakness dampening sentiment.

CGB reconped lost ground after investors took a second look at its merger terms for Alsthom and Alcatel. Several analysts feel the merger is a good thing not only in the long term but in the shorter term as well, with one pointing out that tax breaks and other outlook for CGE this year was

still very good. CGE rose FFr3 to FFr420.50. Alsthom was steady at FFr575 but Alcatel fell FFr20 to

Matra lost PFr2 to PFr279 before late confirmation of recent speculation that it would cease sponsorship of its football team, which has proved a drag on profits. Groupe Victoirs rose FF128 to struggle for control at manage-ZURICH had a buoyant ses

watching the US and gained only a brief fillip from the cor-porate restructuring at Credit

sion with all types of shafes, ending higher, in both blue chips and second liners. The Crédit Suisse index rose 5.2 to 571.7. Brown Boveri continued to

hog the limelight, with its, bearers gaining another SFr100: to SFr3.550 — they have jumped by 11 per cent in the past week, Hoffmann La Rochs, baby certificates rose SE:225-to. SFr15,375 amid rumours of a corporate restructuring the group releases its results in two weeks time.

MILAN suffered from a lack of direction, ending alightly easter in trading volume esti-mated at below Wednesday's provisional Li60bn. The Comit. index eased 0.58 to 605.75, with considerable profit-taking inthe banking sector.

The lack of broad interest was reflected in early fixings for key blue chips such as Fiat, up L21 at L9.369. However Montedison saw reasonable

One analyst said the market was waiting for parliamentary votes next week on the blidget

deficit issue and that the spec-deficit issue and that the spec-sie of a government crisis was being investors cattious.

MADRID had a snappy ses-aion, aithough investors were choosy after, recent broad-based having. The general index chimbed 1.37 to 28236. Citroen soared by shoulper cent to 1,615 of par, a gain of 90 points, amid news of a four-year Pta56bn project to modernise and expand produc-

HOUSELS focused on steel maker Arbed which dropped sharply on early profit-taking after recent rises but then recouped some lost ground to end Brico lower at Bri3.600. It had been off Bri240 at one

STOCKHOLM was on hold before today's release of the US employment data and ended little changed with the Affars-världen index off 0.9 at 1,139.3. Johannasburg was closed for

K 14

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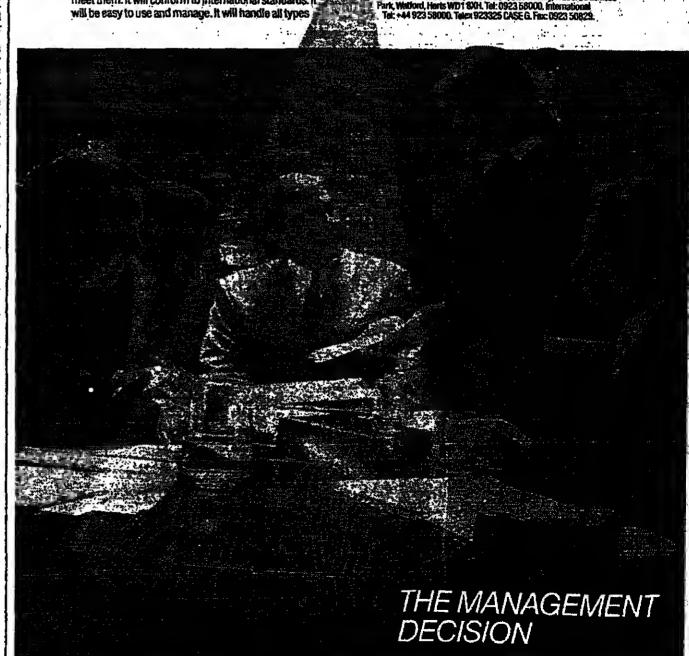
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FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS		WEDH	ESDAY APRI	L 5 1989		TUE	SDAY APRIL	4 1989	BOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	US Dollar Index	Oay's Change	Pound Sterling Index	Local Currency Index	Gross Olv. Yjeld	US Dollar Index	Pound Sterling Index	Currency Index	1988/89 H)gh	1988/89 Low	Year ago (approx)
Australia (89). Austria (18). Belgium (63). Canada 1127. Oenmark (38). Friland (26). France (130). West Germany (100). Hong Kong (49). Ireland (17). Italy (98). Japan (485). Malaysta (36). Mexico (13). Netherland (42). New Zealand (24). Norway (26). Singapore (26). South Africa (60). Spain (42). Sweden (38). Switzerland (57). United Kingdom (316). USA (564).	128.69 116.04 132.87 134.08 172.46 152.86 118.82 85.31 126.46 145.34 81.85 192.33 163.78 167.93 118.41 68.37 177.94 140.30 152.75 161.89 75.95 147.09	743.403.11.15.09 40.403.11.15.09 40.403.14.31.13.11.16.3 40.403.14.31.11.16.3 40.403.14.31.11.16.3	112.23 101.20 115.87 116.93 150.40 133.41 103.63 74.40 110.29 126.75 71.38 142.83 142.83 143.46 103.46 127.18 122.36 131.18 66.23 128.20 129.20	106.99 112.76 128.77 118.54 170.70 135.05 117.75 83.02 126.39 143.76 83.88 160.17 173.65 439.75 114.06 59.38 164.17 131.12 127.52 134.27 77.29 128.28 120.63	\$.19 2.23 4.09 3.30 1.91 2.90 2.28 4.06 3.55 2.50 2.74 1.16 4.64 1.52 3.96 3.96 3.96 3.25 2.37 4.364	133.28 116.35 132.29 134.13 171.93 152.66 118.71 84.86 126.45 144.10 82.04 192.35 164.82 167.37 118.18 69.35 178.53 178.53 140.02 140.73 152.60 76.01 148.05 120.26	115.79 101.08 114.93 116.53 149.37 132.63 103.13 73.72 109.86 125.19 71.28 167.12 143.20 145.41 102.68 60.25 155.11 126.87 122.26 132.59 140.74 66.04 128.63	107.53 112.91 128.05 115.39 170.12 134.82 117.50 82.50 126.39 142.28 84.01 159.16 174.44 438.83 113.71 164.54 131.19 127.90 135.86 120.26	157.12 116.35 136.68 137.27 180.38 152.86 119.98 90.40 133.77 146.46 86.88 200.11 164.82 167.93 118.41 76.02 178.53 147.64 142.88 152.75 162.00 79.76 153.33 121.90	128.69 92.84 128.52 124.67 165.35 125.81 112.57 81.77 111.80 125.00 78.16 180.30 143.35 153.32 110.63 67.60 139.92 124.57 115.35 143.15 143.45 74.05 134.53	115.07 92.43 131.29 123.40 121.59 127.14 82.28 78.41 100.62 120.49 77.70 171.05 137.81 108.38 76.37 125.78 109.54 131.04 119.54 131.04 119.56 119.56 119.56 119.56
Europe (1008). Nordic (125). Pacific Basin (679). Euro-Pacific (1687). North America (691). Europe Ex. UK (692). Pacific Ex. Japan (224). World Ex. US (1887). World Ex. UK (2135). World Ex. So. Af. (2391). World Ex. Japan (1996).	119.43 153.48 187.01 159.98 121.33 102.22 123.48 158.89 143.81 144.12 120.94	-0.2 +0.1 -0.1 -0.1 +0.3 +0.2 -1.9 -0.1 +0.1 +0.0 +0.0	104.16 133.85 163.09 139.52 105.81 89.15 107.68 138.57 125.42 125.69	110.78 150.40 156.42 138.24 120.34 99.91 109.38 137.50 132.14 131.81 116.91	3.55 1.96 0.69 1.56 3.62 2.89 4.59 1.63 2.03 2.23 3.64	119.66 153.40 187.22 160.20 120.99 102.04 125.81 139.10 143.72 144.12 120.93	103.96 133.28 162.65 139.18 105.12 88.65 109.31 138.23 124.87 125.21	110.68 150.23 155.51 137.65 119.99 99.57 109.71 136.93 131.56 131.30 116.71	120.88 153.48 194.72 164.22 122.71 103.11 137.65 162.77 146.04 146.65 122.37	114.02 137.95 176.37 152.83 112.79 98.84 123.48 152.04 138.06 138.82 114.51	107.59 112.46 166.07 142.69 108.88 90.27 106.00 141.92 128.20 128.81 108.57

Base values: Oec 31, 1986 = 100; Finland: Oec 31, 1987 = 115.037 (U5 5 Index), 90.791 (Pound Sterling) and 94.94 (Local); Nordic: Dec 30, 1988 = 139.65 (US 5

Index), 114.45 (Pound Sterling) and 123.22 (Local).

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Hong Kong market closed April 5. Latest prices were unavailable for this edition.